

SYLLABUS

Module I

Unit 1 Introduction to Organisational Development and Global Motivation Theories

- (a) Concept and features of Organisational Development – Values of organisational development – Organisational Development Models – Weisbord Six-box Model (Organisational Diagnosis) – McKinsey 7'S' Model (Organisational Design)
- (b) Global Motivation Theories – Maslow Need Hierarchy Theory – Douglas McGregor Theory 'X' and 'Y' – William Ouchi Theory 'Z' – Victor Vrooms Expectancy Theory – Alderfer's, ERG Theory – David McClelland Need Theory

Module II

Unit 2 Global Leadership Theories and Management Styles

- (a) Global Leadership Theories – Charismatic Leadership Theory – Likert's four system leadership – Blake and Montons, Managerial grid Theory – Fiedler's contingency theory Tennenbaum and Schmidt's Leadership Theory – Hersey and Blanchard's Situational Leadership Theory
- (b) Indian Management Style – Japanese Management Style – American Management Style – European Management Style

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1 Introduction to Organisational Development

Synopsis

(A) Overview of Organisational Development

- Meaning of Organisational Development
- Features of Organisational Development
- Values of Organisational Development

(B) Organisational Development Model

1. Weisbord Six-Box Model
2. McKinsey 7S Model (Organisational Design)

(A) ORGANISATIONAL DEVELOPMENT MEANING OF ORGANISATIONAL DEVELOPMENT

Organisational development is a process that helps organisations improve their organisational capabilities by aligning strategy, structure, people, rewards, metrics, and management processes. Organisational development is a critical and science-based process that aids in performance enhancement and goal achievement. It uses a variety of strategies and tactics to improve the efficacy of an organisation and helps the company adjust as per the changes in the business environment. It focuses on enhancing relationships, processes, and communication between managers, employees, and stakeholders to create a more

supportive, collaborative, and productive work environment. This makes it possible for business organisations to respond quickly and efficiently to changes in the market, customer needs, and technology.

Example: Multi-national vehicle manufacturer Volvo wanted to reduce turnover and absences by improving working conditions for manufacturing employees. Volvo learned how to better design its facilities and workflows through job enrichment programs, such as employee work groups, job enlargement, and job rotation. These improvements created a more satisfying environment for employees.

Features of Organisational Development

Organisational Development is a management approach that helps organisations in increasing their performance and adapt easily to the changes in the business environment. The features of Organisational Development are as follows:

- 1. Systematic Approach:** Organisations are interconnected systems where changes in one area can impact other areas too. It involves a systematic approach to understanding and improving the organisation's structure, processes, and culture.
- 2. Collaborative Approach:** Organisational Development involves working together with employees, managers, and other stakeholders to identify problems, develop solutions, and implement changes. This encourages teamwork, open communication, and shared decision-making in the organisations.
- 3. Focus on People and Process:** It recognises that organisations are made up of people, processes, and systems that should assist and empower them. This

means that management practices should be designed to support and benefit their employees.

4. **Continuous improvement:** It emphasises that change is an ongoing process, rather than a one-time event. Organisations should continually assess and improve their processes, systems, and practices to stay ahead of the curve.
5. **Data-driven:** Organisational Development is more data-driven rather than assumptions or personal biases. This ensures that changes are evidence-based and have a higher likelihood of success. It focuses on practical implementation rather than theoretical discussions. It emphasises taking action to address issues and achieve measurable results.
6. **Participatory:** Organisational Development encourages and ensures that everyone in the organisation takes an active role in the change process. Involving all stakeholders increases ownership and commitment and makes things happen.
7. **Empowering:** Organisational Development empowers employees and builds their capacity to take on new challenges and opportunities. This enables employees to take more responsibility and make decisions that benefit the organisation.
8. **Experiential Learning:** It emphasises learning through experience, allowing participants to apply new concepts and skills in real-world settings. This approach involves training, workshops, and practical exercises. Experiential learning enhances the effectiveness of training programs by providing hands-on experience, making it easier for employees to transfer new knowledge and skills to their daily work.

9. **Involvement of Agents:** It involves external consultants or agents that help the organisations in the change process. These experts provide an objective perspective and specialised knowledge to guide the organisation through the transition. The involvement of these agents ensures that the organisational process is managed effectively, leveraging their expertise to overcome resistance and drive successful outcomes.
10. **Focus on Organisational Culture:** Organisational Development emphasises the importance of organisational culture in shaping behaviour and performance. It involves understanding and transforming the underlying values, beliefs, and norms that define the organisation. A strong focus on culture ensures that organisation initiatives are aligned with the organisation's core values, leading to deeper and more meaningful changes that support long-term success.

Values of Organisational Development

Organisational development is a set of manners that employees learn and live by while performing their duties. Employees benefit from values as they progress along their career paths. The development of an organisation is a continuous process, which accommodates multiple changes which occur in many aspects, such as science and technology, economics, the market, the political environment, education, knowledge, values, attitudes, and behaviour of individuals, culture, etc. The development of an organisation involves a variety of planned changes based on business and human values that aim to enhance the effectiveness of the organisation and the well-being of its employees.

1. **Respect the People:** People are the heart, limbs and brain of the organisation. They are responsible for

creating opportunities for growth. They are the one who can act together to achieve organisational goals. Hence they must be treated with respect and dignity.

2. **Trust and support:** Organisations are made up of people, and they should be believed in and supported to achieve success. They are the one who can act together to achieve organisational goals.
3. **Confidence and Support:** Trust among people is a very important factor for the growth of the organisation. A trust can only be created among people when they have confidence in each other and also support each other. Thus the people in the organisation are to be believed and supported in order to have an effective organisation. The healthy environment prevails when people are trusted and taken into confidence and necessary support is extended to them as and when needed.
4. **Participation, involvement, and empowerment of employees:** Employees should be involved in decision-making processes. Allowing people in the decision-making process will benefit the organisation as employees will work more willingly and dedicate towards accomplishments of the organisational goals.
5. **Seeking Co-operation:** Managers should seek co-operation from their employees who work under them in the same department. This shows the democracy within the organisation. The employees feel that their opinions are valued and hence participate in organisational activities vigorously. It creates an atmosphere of cooperation and leads to organisational effectiveness. It also increases the willingness to accept the changes due to the organisation development process.

6. **Expression:** Human beings should be allowed to express their feelings and sentiments. This will result in building up high morale and the people will be motivated to work hard ultimately resulting in increased efficiency. A company benefits from the differences in quality, ideas, opinions, and experiences of its employees.
7. **Groups and Teams:** Organisations are composed of formal and informal groups and teams. It is essential to understand the norms and beliefs of groups and teams in an organisation to help them contribute effectively. This will help in promoting teamwork, increase trust, prevent conflict and set achievable goals.
8. **Confrontation:** Conflict in the organisation should be dealt with openly without suppressing it. Suppression can lead to dampening of morale. To avoid conflicts it is necessary to identify the problem and its causes, discuss it openly with concerned people, and find out a feasible solution. This will help to boost the morale of the employees and also create a good environment

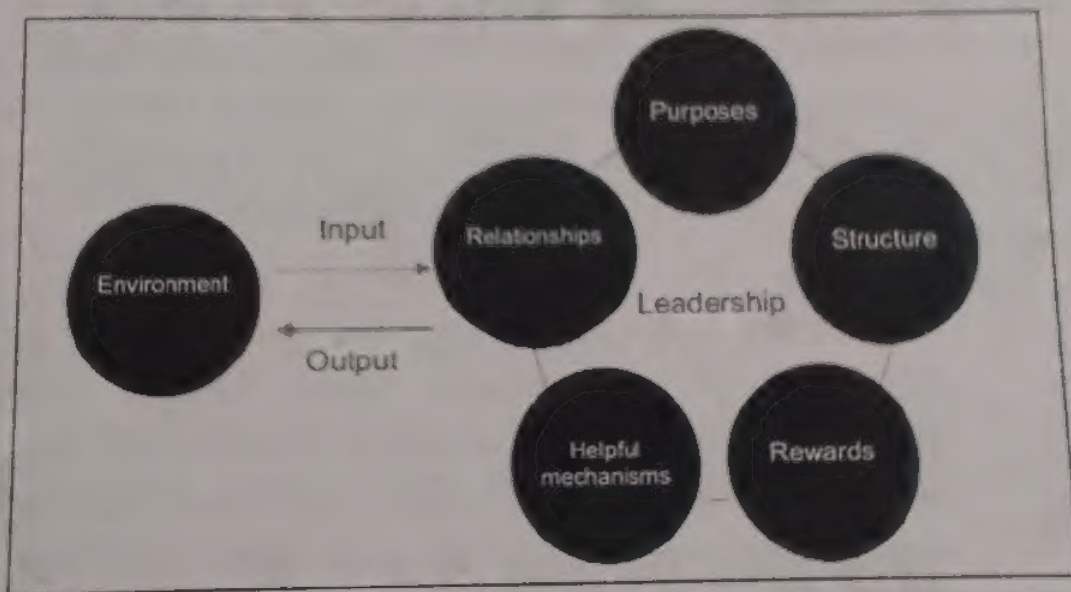
(B) ORGANISATION DEVELOPMENT MODELS

Organisational Development is a comprehensive approach to enhancing an entity's effectiveness and efficiency by refining its structure, processes, people, and culture. Organisations began to recognise the need for adaptability in the phase of rapid changes in markets, technology, and regulations, and the principles of Organisational Development gained attention. Over the years, Organisational Development has evolved to encompass various strategies, tools, and methodologies to foster positive organisational change and growth. Following are some of the models of Organisational Development:

1. Weisbord Six-box Model

The **Weisbord Six-Box Model** was developed by the American analyst Marvin Weisbord to evaluate the performance of organisations. This model has been developed to identify organisational issues that might otherwise go unnoticed by senior management. The Weisbord Six-Box Model is mostly based on techniques and assumptions in the field of organisational development and is used by a wide variety of organisations.

Weisbord's Six-Box Model by Marvin Weisbord



The Weisbord Six-Box Model uses six categories to conduct an organisational diagnosis. These six boxes that define the model are purposes, structure, relationships, rewards, leadership, and helpful mechanisms. Diagnosis is a way to bridge the gap between what is and what should be. It is important for organisations to carefully analyse and understand the Six Box Model. This works as one of the most crucial exercises for the business and helps in understanding the number of opportunities that help in the growth of the business and the related profits.

- 1. Purposes:** Organisational objectives include the missions and perspectives of an organisational vision. These goals should be clear to all employees and all the members in

- the team should agree and support the overall values, goals, aims, and mission of the organisation.
2. **Structure:** The structure determines the nature of organisational design, who reports to who, and who does what. The structure should give a clear idea of the legal power, and it should also provide an accurate and fitting overview of how the goals of the organisation need to be achieved and who is responsible.
 3. **Relationships:** Relationships include individuals, groups, technological, and other functional sections that effectively work together. The model emphasises that management should share cordial relations between their departments. Good relations in the organisation will enhance quality of work and reduce conflicts.
 4. **Rewards:** The reward mechanism is important for determining employee performance and can often be a key cause of organisational issues. Reward systems include both official and unofficial rewards and have to be analysed in order to ensure sufficient motivation among employees. Lack of recognition can lead to resentment and demotivation.
 5. **Leadership:** Leadership refers mainly to the managers within an organisation, although non-managers can also have a leadership role within their team. Managers need to use the human resources they have at their disposal as effectively as possible, both internal and external. The management of the organisation needs to have strong leadership skills as it will not only keep the staff motivated but will help the organisation attain its aims and objectives in a successful manner. Having strong leadership skills doesn't mean ruling the company with an iron fist but the leader has to be caring, understanding,

patient, and work as a part of the team leading them and the company towards the path of success.

6. **Helpful mechanisms:** Helpful mechanisms are methods that help employees to co-ordinate their activities. It focuses on the various mechanisms of the organisation that help in accomplishing the objectives

Examples of such mechanisms are descriptions of organisational approaches, procedures, seminars, notes, reports, perspectives, ointegrated information systems.

Weisbord Six-Box Model: Input, Output, and the External Environment

Marvin Weisbord identifies the variables into three categories: Input, Output, and External Environment. Input refers to something that is placed inside an organisation and that is transformed into output by an activity or function. Input factors include money, people, ideas, machines, etc.

Output factors refer to what product is produced by the organisation in full or part. The output factors include products and services.

Every organisation operates in an environment that is subject to various controllable and uncontrollable factors. From the availability of skilled workers to the price of raw materials; everything needs to be taken into account, but organisations cannot control everything. External Factors include competition, economic instability, changes in prices, etc.

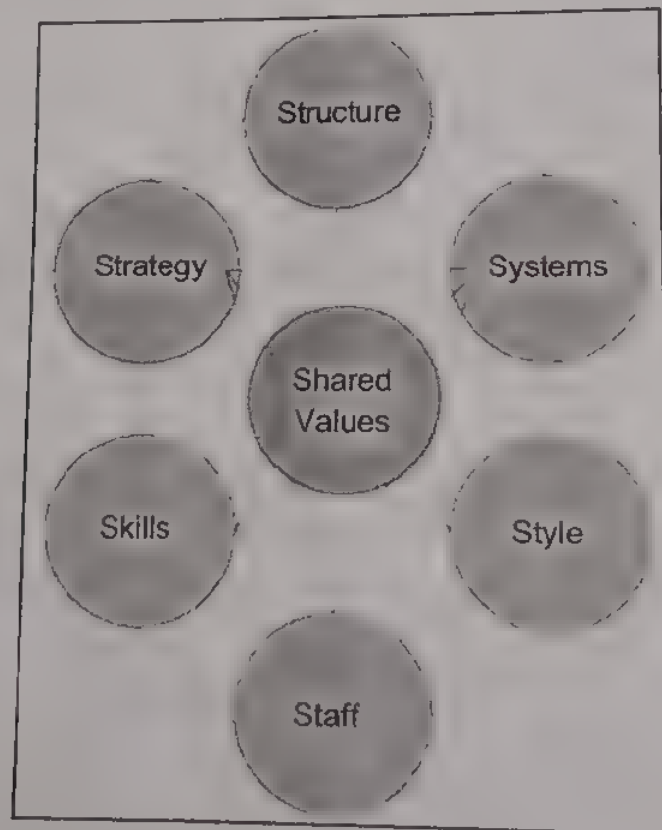
2. McKinsey 7S Model

The McKinsey 7S Model refers to a tool that analyses a company's "organisational design."

The McKinsey 7S Model is based on seven shared (S) values: Structure, Strategy, System, Shared Values, Skill, Style, and Staff.

The seven elements of McKinsey 7S Framework are divided into two categories: hard elements and soft elements.

- **Hard 'S' elements** are easily identifiable and influenced by leadership and management. They include Strategy, Structure, and Systems.
- **Soft 'S' elements** are those that are intangible and culture-driven. They include Shared Values, Style, Staff, and Skills.



Structure of the McKinsey 7S Model

The McKinsey Model is based on 7S (shared values) which are categorised into Hard S and Soft S. The structure of McKinsey 7S Model are as under:

1. **Structure:** The structure of the organisation is made up of its corporate hierarchy, the chain of command, and various divisions that outline how the operations in the organisations function and interconnect.

2. **Strategy:** Strategy refers to a well-curated business plan that allows the company to formulate a plan of action to achieve a sustainable competitive advantage, reinforced by the company's mission and values. A sound strategy is one that's clearly articulated, long-term, helps to achieve a competitive advantage, and reinforced by a strong vision, mission, and values.
3. **Systems:** Systems are the processes and procedures of the company, that identify the daily activities of the organisation. Systems entail the business and technical infrastructure of the company that establishes workflows and the chain of decision-making.
4. **Skills:** Skills form the capabilities and competencies of a company that enables its employees to achieve its objectives. The company continually assesses its available skills and decides what changes are required to achieve the goals set forth in its strategy.
5. **Style:** Style represents the way the company is managed by top-level managers, the way they interact, and what necessary actions they take. The attitude of senior employees in a company establishes a code of conduct through their ways of interactions and symbolic decision-making, which forms the management style of its leaders.
6. **Staff:** Staff involves talent management and all human resources related to company decisions, such as training, recruiting, and rewards systems. It is concerned with what type and how many employees an organisation will need and how they will be recruited, trained, motivated, and rewarded.
7. **Shared Values:** The mission, objectives, and values form the foundation of every organisation and play an

important role in aligning all key elements to maintain an effective organisational design. They are the norms and standards that guide employee behaviour and company actions and thus, are the foundation of every organisation.

Advantages of McKinsey Model

- It enables different parts of a company to act in a synchronised manner.
- It enables effective tracking of the impact of the changes in key elements.
- It has been adopted by many organisations over time.
- The model helps in understanding the organisational performance and the impact of small changes in the organisation.
- It helps in identification of gaps in the organisations.
- It helps in aligning organisation's processes, systems, people, and values.

Disadvantages of the Model

- The results can be reflected in a long-term model.
- The model adapts to the changing business conditions.
- It depends on internal factors and processes and may be disadvantageous in situations where external circumstances influence an organisation.
- It is very time consuming.
- It requires a lot of research and data analysis, including documenting, auditing, and measuring the efficacy of factors like employee skill sets.

Example of Application of McKinsey Model by McDonald

Strategy: Cost leadership has been one of the oldest strategy of McDonald's. The company strives to offer a wide range of items. Apart from this, McDonald's sets SMART goals to achieve its short-term and long-term vision, and these goals are clearly communicated to all employees to ensure that everyone is on the same page.

Structure: Because McDonald's is present in dozens of countries and has such a huge business, one may think that the company has a strict hierarchical structure. However, that is not the case. The company has a flat structure and the manager of each outlet usually manages assistants and employees. Even though some managerial levels are present, all employees work as a team and have easy access to senior leadership if needed.

Systems: From sales and marketing to operations and supply chain management, McDonald's has some of the most efficient systems in the world. In fact, the company's systems deserve a separate article of their own. Also, they constantly innovate to make their systems better. For instance, one of the company's recent endeavours was to reduce the drive-through order time by 30 seconds.

Shared Values: McDonald's core values are: Service, Inclusion, Integrity, Community, and Family. The aim behind living with these shared values is to be able to have a high level of integrity, serve a wide range of customers, hire employees from different backgrounds encourage teamwork, and finally, give some profits back to the community.

Skills: McDonald's pays special attention to skills, training, and workshops are regularly held to ensure that staff can provide flawless service to customers.

Style: The leadership style at McDonald's is participative. Seniors engage with employees from different levels and ask them to share their feedback to improve strategy and operations or to identify and resolve any conflicts.

Staff: The company is the world's second-largest restaurant chain by revenue and employs over 200,000 people worldwide. The McDonald's team is a global family and believes in diversity and acceptance, and that is the reason why people from different backgrounds happily work for the company.

Questions

1. Explain the meaning and features of organisational development.
2. Explain the values of organisational development.
3. Explain the Weisbord Six-box Model.
4. Explain the McKinsey 7S Model.



2 Global Motivation Theories

Synopsis

Global Motivation Theories

1. Maslow's Theory of Hierarchical Needs
2. McGregor's Theory X and Theory Y
3. William Ouchi's Theory Z
4. Victor Vroom's Theory of Expectancy
5. Alderfer's ERG Theory
6. McClelland's Theory of Needs

MEANING OF MOTIVATION

Motivation is a psychological force within an individual that sets him in motion to achieve certain goals or satisfy certain needs. The term 'motivation' is derived from the Latin word '*movere*' which means to move. A motive is an inner state that encourages, activates, or moves and directs behaviour toward goals.

According to Robert Dublin, "Motivation is the complex set of forces starting and keeping a person at work in an organisation."

Motives are somewhere a reflection of human needs.

E.g., A factory worker knows if he will complete his work on time, he will be rewarded with a bonus or some kind of financial incentive which can be spent. Thus, here we can

understand that needs are physiological and psychological drives. On the other hand, drives for which an individual has money and wants to spend become wants. The factors which are utilised for satisfying or motivating people are called incentives.

MOTIVATION THEORIES

Motivation theories are a way of looking at the motivation of a person and how this influences their behaviour, whether for personal or professional reasons.

It's important to every aspect of society but is especially relevant to business and management.

Motivation is the key to more profitable employees, as a motivated employee is more productive.

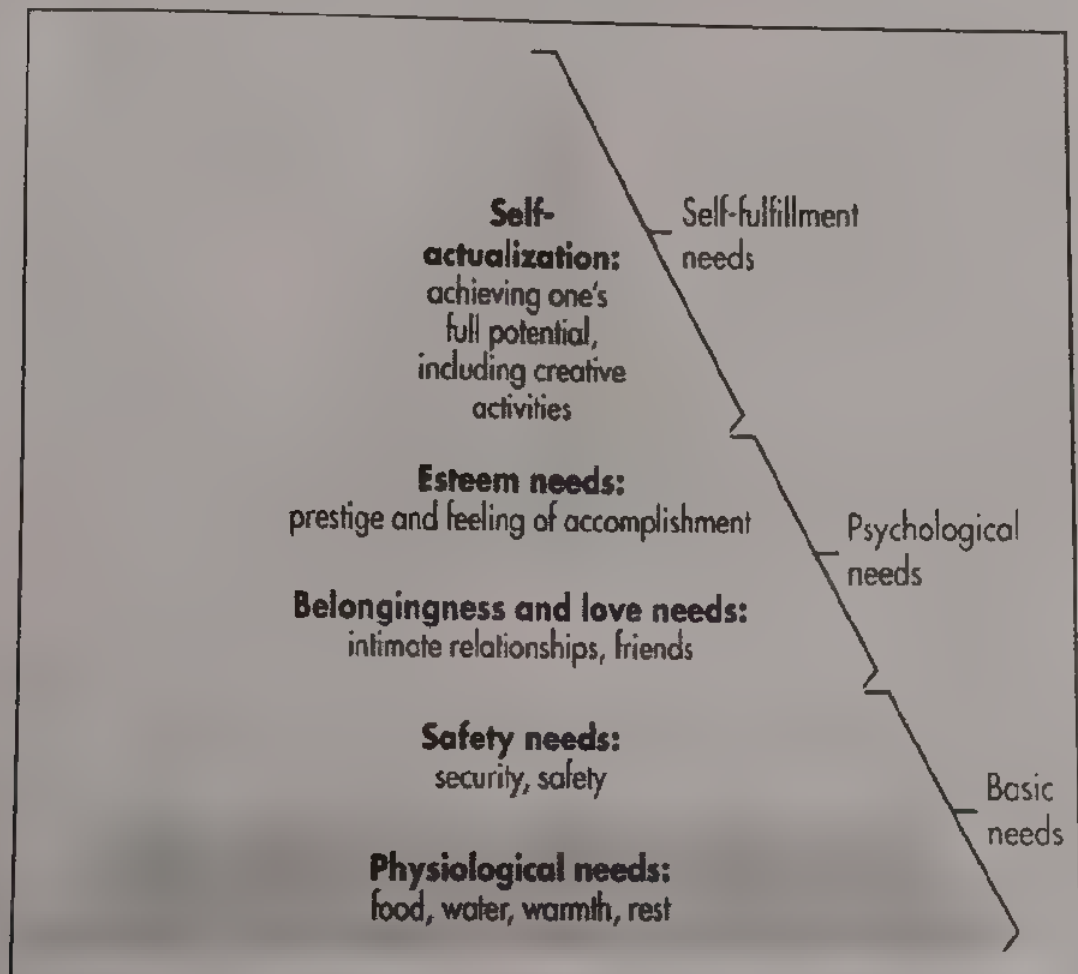
There are certain Motivation Theories included in the syllabi propounded by psychologists such as:

1. Maslow's Theory of Hierarchical Needs
2. McGregor's Theory X and Theory Y
3. William Ouchi's Theory Z
4. Victor Vroom's Theory of Expectancy
5. Alderfer's ERG Theory
6. McClelland's Theory of Needs

1. Maslow Need Hierarchy Theory

Maslow Need Hierarchy Needs Theory was introduced by Abraham Maslow in the year 1943. He first introduced the theory in the paper titled "A Theory of Human Motivation," and again in his subsequent book, "Motivation and Personality." The hierarchy suggests that people are motivated to fulfil basic needs before moving on to other, more advanced needs. Maslow's hierarchy of needs is often displayed as a pyramid. The lowest

levels of the pyramid of needs are made up of the most basic needs while the most complex needs are at the top.



1. **Physiological Needs:** These needs include the basis needs of an individual which include food, air, water and shelter. They are lower-order needs and they need to be met first in order to move an individual for higher level needs.
2. **Safety needs:** After meeting physical needs, an individual is concerned about the safety needs which include staying in a safe and secure environment. At a work place, the managers ensure meeting of the safety needs by providing job security, medical insurance, and safe gadgets and machines for working.
3. **Social or Belongingness Needs:** These needs include the needs for love, affection, and interaction with people.

These needs are also called affiliation needs. Social needs are essential to humans so that they do not feel isolated and depressed. Social needs are met through friendships, family, and intimacy. A manager can work upon satisfying social needs by ensuring that employees are provided with co-operative teamwork, kind supervision and sufficient work-life balance.

4. **Esteem Needs:** These needs include two aspects self-esteem or self-respect through personal achievement and social esteem through respect and appreciation from others. Managers should motivate their subordinates by giving those awards and appreciation certificates for their achievements.
5. **Self-Actualisation Needs:** It is the pursuit of reaching one's full potential as a person. These needs are not necessarily fully satisfied owing to the exploration of new opportunities by an individual. This depends upon the individual to individual. The management should help in meeting these needs by providing the employees with challenging tasks and inviting them for decision-making.

Examples of Maslow's Hierarchy of Needs (At Work Place)

1. **Physiological needs:** The first set of needs are the most basic. We all need food, water, and shelter to survive. In the workplace, factors such as basic pay, a designated eating area, clean toilets, and water stations positioned in the office.
2. **Security needs:** In the workplace, these needs look like job security, job stability, and physical safety. A worker deeply who is concerned or worried about his/her safety will be far less likely to be motivated and engaged in their work. In the health and safety industry.

this is a valuable reminder about how productivity is affected when the most basic needs are not met.

For example, workers on oil rigs report a high level of stress and lack of job satisfaction, largely attributed to their dangerous working conditions. With these kinds of internal emotions, it's harder for them to feel a sense of purpose and fulfilment.

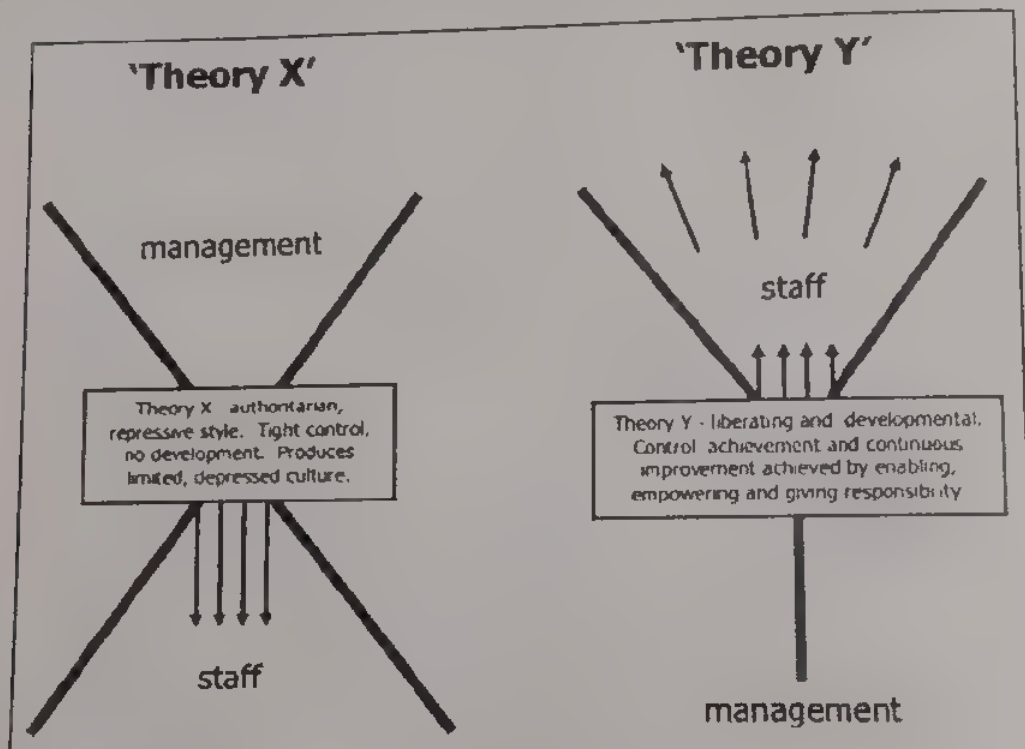
3. **Social Needs:** In the workplace, it is important to promote a culture where friendships can blossom. This is essential for the mental well-being and motivation of the workforce. It's important that organisational culture celebrates inclusivity and welcomes all newcomers with open arms.
4. **Esteem needs:** In the workplace, it is important to have genuine appreciation and respect from our peers. There should be clear and valuable feedback, and congratulating a job well done, works wonders for motivation. Furthermore, feeling respected and valued inherently as a person is critical for the development of healthy self-esteem.
5. **Self-Actualisation Needs:** This is the ultimate level for a person to reach, to realise their full potential. The way someone interprets this need can be very individual. Some people aspire to wealth or fame, others to a fulfilling creative career. For some, these needs revolve around their personal life, whilst others focus on career ambitions.

2. McGregor's Theory X and Theory Y

Douglas McGregor in the year 1960 formulated Theory X and Theory Y suggesting two aspects of human behaviour at work, or in other words, two different views of individuals (employees).

- Negative views are called Theory X and
- Positive views are called as Theory Y

According to McGregor, the perception of managers on the nature of individuals is based on various assumptions.



Assumptions of Theory X

Theory X revolves around the traditional approach to motivation and control. It represents traditional stereotyped and authoritarian management style. It has following assumptions:

- An average human being is lazy and doesn't like to work.
- He will avoid work if he can.
- Most human beings lack ambition and thus don't want responsibility. They prefer to be directed rather than to lead.
- Most human beings are self-centred and indifferent to the organisational goals.
- Most people are not creative to solve organisational problems.

- Most human beings are motivated with physiological and safety needs.
- Employees resist change.
- An average employee needs formal direction.
- Workers do not have a desire to grow or achieve personal or professional goals.

Theory X states that employers or managers use the approach of micromanagement with employees to get the desired work done. Managers tend to have a pessimistic view of their team members and do not trust or rely upon their team. In this theory, the authority of effective decision-making remains in the hands of managers or upper management, and powers remain centralised.

Theory X results in demotivation in employees at their workplace, where employees feel undervalued and restricted. There is a lack of connection between their hard work and any improvement in their working life or conditions.

Assumptions of Theory Y

Theory Y assumes that people are not unreliable and lazy by nature.

It has a positive view on employee motivation and their behaviour. The management undertakes the responsibility of helping the employees to develop and express their creative skills. The assumptions of McGregor's Theory Y are as follows:

- An average person doesn't dislike work rather work is natural as play.
- An average human being will exert self-control and direct himself for his objectives.
- An average individual knows that he will be rewarded if he is committed for the objectives.

- An average person tends to seek responsibility and is ambitious.
- Imagination, creativity, and ingenuity can be used to solve work problems most of the people.
- Considering the present scenario of present industrial life, the intellectual potential of an average man is only partly utilised.
- Workers are eager to participate in decision-making.
- Workers are happy to contribute and feel internally satisfied.

Theory Y further states that employers trust their employees and use a collaborative approach to excel in the growth of the business. Managers tend to have an optimistic point of view toward their team.

Atmosphere in the organisation, encouraging employees to take initiative and perform at their best. Implementing Theory Y principles can lead to higher job satisfaction, increased productivity, and reduced turnover.

3. William Ouchi's Theory Z

Theory Z was invented by the American economist and management professor William Ouchi, following the X and Y theory by Douglas McGregor in the 1960s. The theory Z was introduced in the 1980s by William Ouchi as the Japanese consensus style.

Theory Z Assumptions

- Theory Z revolves around the assumption that employees want to enter into partnerships with their employers and colleagues.
- Employees have a strong desire for connection. This requires a high level of support from the manager and the

organisation in the form of a safe working environment and the right facilities.

- Employees expect reciprocity and support from their organisation. Employees want a work-life balance to maintain their Family, Culture, and Traditions.
- The theory Z also assumes that employees trust that they can carry out their work properly with the right support from management.

Features of Theory Z

Theory Z is based on Japanese management ideas and emphasises the value of employee participation, team spirit, and long-term employment. The following are some of the features of Theory Z:

1. **Mutual Trust:** According to Theory Z, trust between employees and management is essential. This trust develops over time as a result of shared values, open communication, and a commitment to working towards common goals. When trust and openness exist between employees, work groups, union and management, conflict is reduced to the minimum and employees cooperate fully to achieve the organisation's objectives.
2. **Employee involvement:** Theory Z suggests that employees' involvement in decision-making and problem-solving is critical, which can be achieved through participative management practices and by empowering employees to take ownership of their work. Such participation generates a sense of responsibility and increases enthusiasm in the implementation of decisions. Top managers serve as facilitators rather than decision-makers.
3. **Integrated Organisation:** Theory Z focuses on the sharing of information and resources rather than on

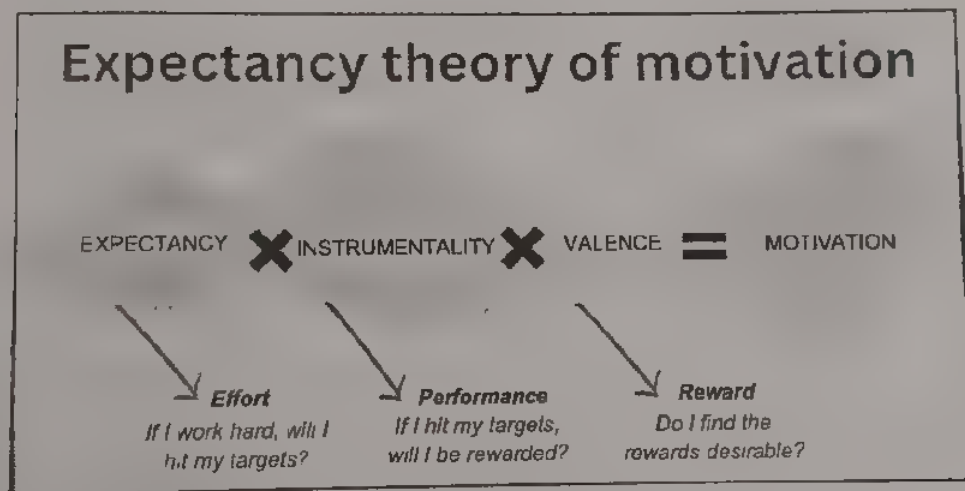
charts, divisions, or any formal structure. An integrated organisation emphasis on job rotation which improves understanding of interdependence of tasks. Such understanding leads to group spirit.

4. **Co-ordination:** The leader's role should be to co-ordinate the efforts of human beings. In order to develop common culture and class feeling in the organisation, the leader must use the processes of communication, debate and analysis.
5. **Emphasis on teamwork:** Teamwork and collaboration are highly valued by William Ouchi. Employees can accomplish better outcomes by working together in a team rather than they might work separately.
6. **Human Resource Development:** Managers should develop new skills among employees. Theory Z proposes that the potential of every person should be recognised and attempts should be made to develop and utilise it through job enlargement, career planning, training, etc.
7. **Consensus decision-making:** Theory Z indicates that choices are made by a group of people who collaborate to find a solution on which everyone can agree. This method is said to develop trust, collaboration, and commitment among team members.
8. **Focus on employee well-being:** Theory Z focuses on employee well-being. This implies that firms must provide a safe and healthy work environment for their employees, as well as possibilities for personal growth and development.

4. Victor Vroom Theory of Expectancy

Vroom's expectancy theory of motivation says that an individual's motivation is affected by their expectations about

the future. Vroom Theory states that an individual's motivation suffers from probabilities about the longer term. Specifically, Vroom says that a person's courage is suffering from what proportion they value any reward related to an action (Valence), what proportion they believe that by putting effort into something, they're going to be ready to generate good results (Expectancy) and the way much they think that generating good results will end in a gift (Instrumentality). In his view, an individual's motivation is affected by three factors Expectancy, Instrumentality, and Valence.



The three factors of Vroom Expectancy Theory of Motivation are:

1. **Expectancy (E):** Expectancy is the belief that increased effort will lead to increased performance i.e., if I work harder then it will be better. This is affected by things such as:
 - Having the appropriate resources available (e.g., raw materials, time)
 - Having the appropriate management skills to do the job
 - Having the required support to get the job done (e.g., supervisor support, or correct information on the job)

2. **Instrumentality (I):** The theory states that if you perform well, then the outcome will be a valuable one i.e., If I do a good job, there is something in it for me. This is affected by things such as:

- A clear understanding of the relationship between performance and outcomes
- Trust in the people who will take the decisions on who gets what outcome
- Transparency in the process decides who gets what outcome

3. **Valence (V):** Valence refers to the emotional orientations people hold with respect to outcomes. This refers to how much importance the individual places on the expected outcome.

For example, if someone is motivated by money, he or she might not value offers of additional time off.

Therefore, Motivation as per Vrooms Expectancy Model can be formulated as:

$$\text{Motivation} = V * I * E$$

The three elements are important when choosing one element over another because they are clearly defined:

- (a) **E > P expectancy:** There is the probability that efforts will lead to the required performance level.
- (b) **P > O expectancy:** There is the probability that our successful performance will lead to certain outcomes.

Advantages and disadvantages of using Expectancy Theory

Advantages

The following are the advantages of using Vroom's Expectancy Theory:

- There is a connection between motivation and satisfaction.
- The expectation of a reward increases motivation, even if the outcome differs slightly from the original reward.
- The theory focuses on rewards and achieving goals.
- It promotes the idea that more effort should lead to increased performance, meaning the desired outcomes are met.

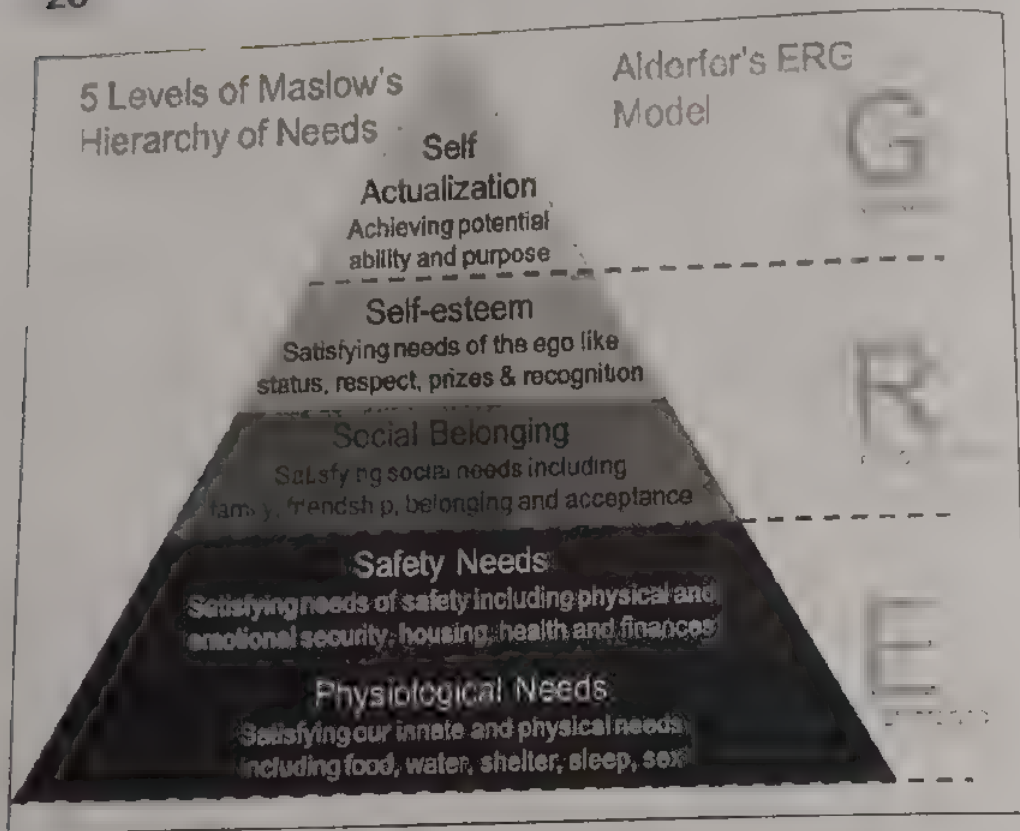
Disadvantages

The following are the disadvantages of using Vroom's Expectancy Theory:

- It assumes that effort and performance will result in the desired reward.
- The theory does not account for factors like an employee's learning and workload capacity.
- If either the task is unachievable, the reward is not delivered or the outcome isn't valuable, that is enough for employees to lose motivation.

5. Alfreder's Erg Model

Clayton Paul Alderfer is an American psychologist who developed Maslow's hierarchy of needs into a theory of his own. Alderfer's ERG theory suggests that there are three groups of core needs: existence (E), relatedness (R), and growth (G)—hence the acronym ERG. These groups align with Maslow's levels of physiological needs, social needs, and self-actualisation needs, respectively.



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1. **Existence Needs (E)** concern our basic material requirements for living, which include what Maslow categorised as physiological needs such as air, sleep, food, water, clothing, sex, and shelter, and safety related needs such as health, secure employment, and property.
2. **Relatedness Needs (R)** have to do with the importance of maintaining interpersonal relationships. These needs are based on social interactions with others and are aligned with Maslow's levels of love/belonging-related needs such as friendship, family, and sexual intimacy, and esteem-related needs such as gaining the respect of others.
3. **Growth needs (G)** describe our intrinsic desire for personal development. These needs are aligned with the other part of Maslow's esteem-related needs such as self-esteem, self confidence, and achievement, and self-

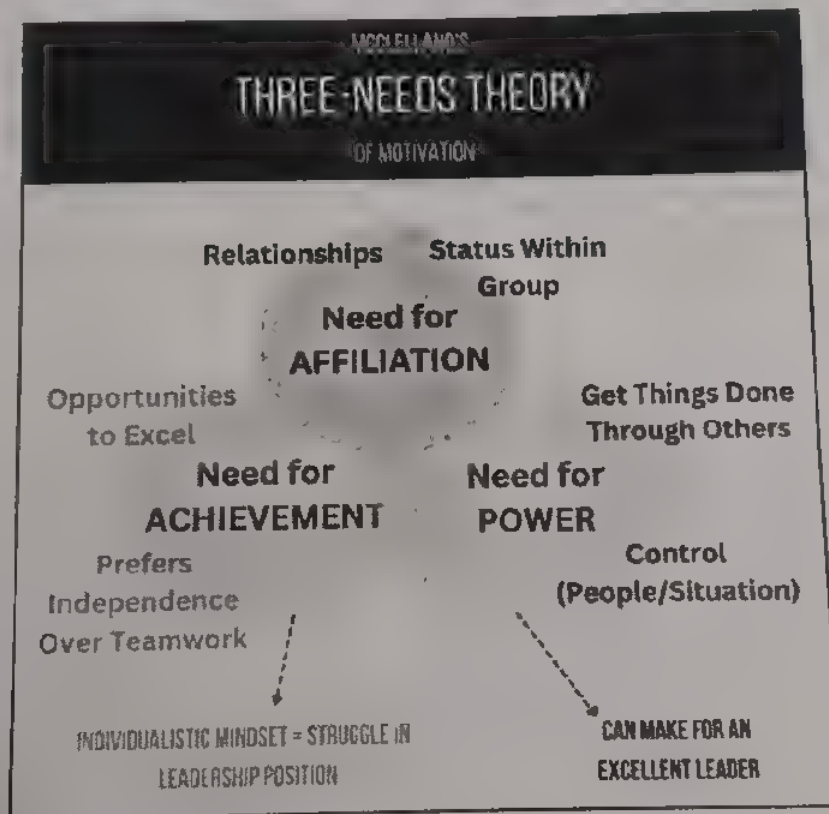
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actualisation needs such as morality, creativity, problem-solving, and discovery.

6. McClelland's Theory of Needs

McClelland Theory of Needs is also known as McClelland's Achievement Model founded by David McClelland in the year 1940. He proposed that an individual's behaviour at any time is guided by multiple motives. But in most situations, one or two motives are dominant, and thus motivation varies with variation of needs.



- 1. Need for Achievement:** People with a high need for achievement seek to excel and thus tend to prefer moderate risks. They choose those tasks whereby they can take personal responsibility for finding solutions to the problems. Achievers require regular feedback in order to check the progress of their achievements. The management should give high achievers challenging projects with attainable goals.

2. **Need for Affiliation:** Those with a high need for affiliation look out for pleasant relationships with other people and need to feel accepted by other people.

Such people are desirous of companionship and helping each other. High-affiliation individuals prefer work that provides them with significant personal interaction. The managers should create an atmosphere of supportive interpersonal relations for the individuals seeking for affiliation and thus such kind of group formation leads to the achievement of goals.

3. **Need for Power:** The need for power is stated by the desire to influence others. People seeking a need for power tend to be outspoken and forceful. They are willing to engage in confrontation. The need for power could be one of two types personal and institutional. Those who need personal power want to direct others and this need is often considered undesirable. Persons who need institutional power want to manage the efforts of others to promote the goals of the organisation. It has been seen that managers with a high need for institutional power tend to be more effective than those with a high need for personal power.

Questions

1. Explain Maslow needs hierarchy theory.
2. Explain Douglas McGregor Theory 'X' and 'Y'.
3. Explain William Ouchi Theory 'Z'.
4. Explain Victor Vrooms Expectancy Theory.
5. Explain Alderfer's ERG Theory.
6. Explain David McClelland Need Theory.



3 Global Leadership Theories

Synopsis

Global Leadership Theories

1. Charismatic Leadership Theory
2. Likert Four System Leadership
3. Blake and Montons Managerial Grid Theory
4. Fiedler's Contingency Theory
5. Tennenbaum and Schmidt's Leadership Theory
6. Harsey and Blanchard's Situational Leadership Theory

GLOBAL LEADERSHIP MEANING

Global leadership refers to the multidisciplinary study of the critical competencies that future leaders should possess to comprehend the implications of globalisation. Global leaders recognise and value cultural differences, and they use variety as a strength. Global leaders are next-generation leaders who negotiate the worldwide landscape, build cross-cultural connections, and drive success for enterprises and communities all over the world.

Skills required to be an effective global leader:

- Leadership skills and organisational skills
- Ability to think, understand, and connect globally
- Leaders should have a deep understanding of global and regional business environments.

- Ability to understand and analyse world markets, trends, and the trade connection between them.
- Leaders should be able to understand and develop strategies to overcome international challenges.
- Ability to understand, identify, and leverage international opportunities.
- Recognise the importance of culture on business, human behaviour, teamwork, work ethics, and goal setting.
- Expertly communicate with people from vastly different backgrounds, social norms, languages, and life experiences.
- Actively listen and have empathy for those with a completely different worldview.

Example: Unilever stands as a beacon of global leadership, epitomising a steadfast commitment to sustainability, responsible business practices, and societal impact. At the heart of Unilever's approach lies its Sustainable Living Plan, a comprehensive strategy aimed at improving the health and well-being of individuals, reducing environmental footprint, and enhancing livelihoods worldwide. This ambitious plan underscores Unilever's proactive stance toward addressing pressing global challenges, such as climate change, resource depletion, and social inequality. By integrating sustainability into its core business operations, Unilever not only sets industry standards but also inspires positive change across sectors and geographies.

Central to Unilever's global leadership is its dedication to corporate social responsibility (CSR). The company prioritises ethical sourcing, fair labour practices, and community engagement throughout its value chain. Initiatives aimed at empowering smallholder farmers, promoting gender equality, and supporting local communities underscore Unilever's commitment to making a meaningful and lasting impact beyond

financial profits. Moreover, Unilever's environmental stewardship sets a benchmark for corporate sustainability efforts. Through innovation and collaboration, Unilever strives to minimise its carbon footprint, eliminate single use plastics, and conserve natural resources. By harnessing its global reach and influence, Unilever leverages partnerships with governments, NGOs, and other stakeholders to drive systemic change and create a more sustainable and equitable world for future generations.

Let us now understand some of the Global Leadership Theories which are included in the syllabi as under:

1. Charismatic Leadership Theory
2. Likert Four System Leadership
3. Blake and Montons Managerial Grid Theory
4. Fiedler's Contingency Theory
5. Tennenbaum and Schmidt's Leadership Theory
6. Harsey and Blanchard's Situational Leadership Theory

1. Charismatic Leadership Theory

Charismatic Leadership Meaning

Charismatic leadership inspires others via communication, narrative, empathy, and persuasion. These leaders connect emotionally with their followers and help them stay motivated even during difficult times. This approach is beneficial in organisations that promote social issues because it keeps teams motivated and engaged.

Charismatic leaders often achieve more because they share a clear vision and purpose. The theory of charismatic leadership comes from Max Weber's 1922 study. He found that people follow leaders they see as good and just. For Weber, charisma was shaped by inner qualities, social context, and relationships.

Later, he expanded on how these leaders build strong emotional bonds but can lose authority without support.

Robert J. House expanded on Weber's ideas in his 1976 paper. He focused on the psychology of charisma. House argued that charismatic leaders attract followers through vision, determination, and self-confidence. People follow them out of inspiration, not fear.

Difference between Charismatic Leader and other Leadership Styles

All leadership styles depend on a leader's ability to motivate employees and increase productivity. Charismatic leaders take this further. They have a unique charm and can connect with people on many levels. This helps them drive company goals while motivating their team.

Charismatic leaders differ from autocratic leaders, who give commands and expect strict obedience. Instead, they appeal to employees rather than simply giving orders. Like visionary leaders, charismatic leaders have a clear vision. However, they often work within more traditional environments and use a flexible approach.

Democratic leadership is more rational and goal-focused. Charismatic leaders connect with their team's feelings and are open to change based on them. Both transformational and charismatic leaders use their personalities to influence others. Transformational leaders stay strong in adversity, while charismatic leaders focus on emotions.

Traits of Charismatic Leaders

Charismatic leadership is vital because it motivates employees to succeed on a personal level. Charismatic leaders work hard to inspire and motivate their team behind a shared, compelling vision and core principles. Most charismatic leaders

demonstrate attributes that boost workplace morale, motivate hard work, and help their teams take pride in their work. It's a technique particularly suited to overcoming obstacles and developing a strong, cohesive team all working toward the same goal.

1. **Empathy:** Charismatic leaders are usually sensitive and empathetic, which means they take the time to understand why their team members are struggling or are thinking in a certain way. When leaders understand their team's feelings, concerns, and passions, they build a strong sense of teamwork. This helps everyone work together toward success. Leaders who show empathy can also identify problems and find solutions. Their high empathy and communication abilities can result in honest relationships and interactions that are often critical to a team's overall success.
2. **Confidence:** Confidence is the main trait of the charismatic leader. They are aware of the ways to influence and persuade a large audience. They understand themselves well and don't try to be someone else. They are original and comfortable with who they are. A charismatic leader should also be able to share this confidence with their team. They can do this through mentoring employees who show potential.
3. **Communication:** Charismatic leaders have extraordinary skills in communication. This helps to motivate employees through tough times and also help them stay grounded when things are good. The leaders are equally comfortable communicating one-to-one or in a group setting. These types of individuals speak with confidence, respect, and clarity. They also listen well, which helps them share their vision and inspire the team to achieve it.

4. **Maturity:** Charismatic leaders have very powerful personalities but also show maturity and good character. They avoid making broad statements and instead use their knowledge and experience to help the organisation grow. They behave maturely and responsibly on all occasions.
5. **Listening Skills:** Charismatic leaders are extremely good listeners. When they listen to you, they don't fidget or look distracted. A charismatic leader pays attention to what is being said, and listens with interest. They are engaged in the conversation and act with empathy.
6. **Self-Improvement:** A charismatic leader understands that he has certain qualities that make him different from others and that these are the qualities that get him attention and make him charismatic. So, he also knows how important it is to continually improve himself.
7. **Role Model:** Charismatic leaders work hard when employees look up to them, helping them when they have the chance and spending time around others. You can show them the kind of employee you are and the kind of employee they hope to be.
8. **Risk Taking:** Charismatic Leaders are willing to take risks. They take calculated risks that will be likely to work. Employees look up to their leaders when they take risks to help them reach their goals can improve their morale, earn their respect, and increase company loyalty.

Advantages of Charismatic Leader

The advantages of Charismatic Leaders is as follows:

1. **Inspiration to Other Leaders:** Charismatic Leaders inspire other leaders with their overwhelming personalities and attractive communication skills. They

often inspire others to become leaders. Many people who are inspired to become leaders often look up to these charismatic leaders to get some insights.

- 2. Helps in improving Organisational Vision:** Charismatic leaders have great communication skills and have a wide vision. Their passion for achieving goals, ability to understand their teams, and passion and enthusiasm are always beneficial for the organisation in improving the vision and thereby help in achieving the targets.
- 3. Enhances Productivity:** Charismatic leaders have the ability to encourage, motivate, and inspire their teams which often leads to higher productivity in the organisation. Employees always look to their leaders and follow in their footsteps. Charismatic leaders are highly productive which also sets the example for their teams. An increase in productivity always brings better results for the organisation.
- 4. Increases employee morale and employee engagement:** Charismatic leaders have an eye to detail. They help their employees, pay attention to their problems and are always available for them to solve their problems. They are always available for their employees. This helps in building better and stronger relations among teams in the organisation. Employees also feel confident and motivated to work in such kind of atmosphere.
- 5. Creates Positivity:** Charismatic leaders are always energetic, and empathetic, and are always available to inspire and help others in the organisation. They are always available for their employees, and they hear to different opinions of people. This creates a positive environment in the organisation.

6. **Empathy:** Charismatic leaders are very empathetic towards all employees. They treat all employee with respect, with equality, they generally do not discriminate employees with their personal biases. They are always available to listen to concerns of the people and are always available to solve the problems of their teams
7. **Listening Skills:** Charismatic leaders are great listeners. They are very respectful and patient towards everyone. They empathetically listen to everyone's concern. They do not hesitate to interact with anyone nor they hesitate to share their thoughts. Active listening is one of the important trait for any leader.

Disadvantages of Charismatic Leadership

The downside of being a charismatic leader is as follows:

1. **Undue Use of Power:** Some charismatic leader may have some negative intentions and may misuse the power of being a leader. They may try to manipulate or influence their team members. They may also try to mistreat the workers. They may misuse their powers for their own benefit and may try to indulge themselves and their team in unethical practises.
2. **Over Dependence:** Employees usually become over dependent on their charismatic leaders and ask for validations even for smaller things. Employees do not use their creativity and freedom in work. These employees are so over dependent on their leader that when their leader is not present, they won't be able to manage the situations.
3. **Sustainability Issues:** The organisation become over dependent on charismatic leader. And when charismatic leaders leave the organisation, they organisation feels a

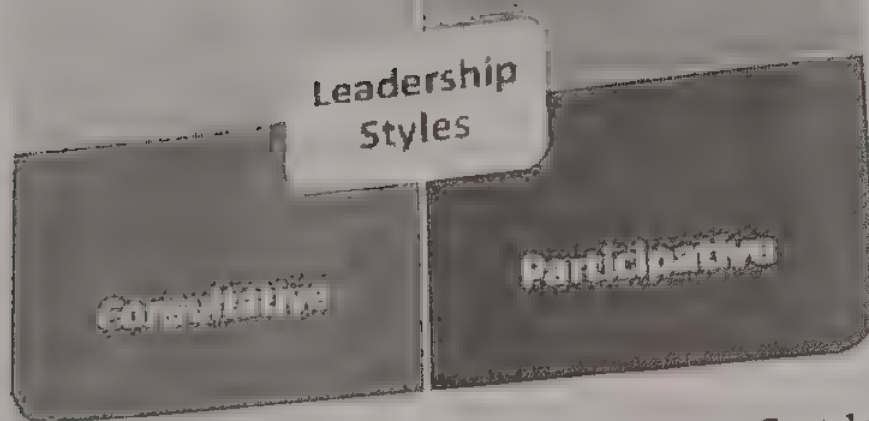
huge set back. They find a great difficulty to replace this gap. They are so reliant on the charismatic leader that the company may face struggle to cope up with managing the employees and achieve organisational vision.

4. **Manipulation and Exploitation:** Charismatic leaders are so powerful and so influential that sometimes they may misuse their powers. Charismatic leaders may manipulate employees for their benefits as employees are easily influential towards them. They may exploit some employees just for their own benefits also. Abusive use of power may create toxic work environment.
5. **Soiled Thinking:** A charismatic leader's strong focus on one goal can make them overlook other issues in the company. This can limit new ideas and critical feedback. Team members might not explore new ideas or raise concerns. Without new viewpoints and honest feedback, decision-making can suffer. This can lead to potential problems for the company.

2. Likert Systems of Management

Likert Styles of Management was first introduced by Rensis Likert. Rensis Likert and his associates studied the patterns and styles of managers for three decades at the University of Michigan, USA, and identified a four-fold model of management systems in the year 1960.

Likert's Management system consists of four styles and they are Exploitative Authoritative, Benevolent Authoritative, Consultative and Participative. These four styles were developed with a lot of research and observation. These systems indicate the various stages of evolution of patterns of management in different organisations. The system consists of different variables such as Motivation, Influence, Leadership, Communication, Interaction and Decision-making.



1. **Style 1- Exploitative Authoritative:** The first leadership style states that power of decision-making lies in the hand of top management. The superiors do not have any trust or confidence in their subordinates. They usually impose their decision on their subordinates. The top management makes the policies and rules and the employees in the lower level are bound to follow the instructions given to them by their superiors. Subordinates are not allowed to discuss their issues with their superiors. The leaders in the system of exploitative authoritative have a very little concern for their employees. They use threats or methods that involve fear to achieve their work. The method of threat works well and the employees work efficiently upon entering the organisation. The leaders are ignorant of the psychological feelings of the employees and there is no active and free communication between superior and their subordinates. The top management burdens employees with a heavy workload and they are to finish the work without fail. There is no work satisfaction in the employees neither they are awarded with any monetary benefits.

2. **Style 2- Benevolent Authoritative System:** In the style, the major responsibilities lie with the managers and not with the lower-level employees. In this style of leadership, the superiors have little confidence and trust in the employees. Usually, here the employees are rewarded and punished as per their own performance. The employees are involved in some of the decision-making processes. But still the ultimate power lies in the hands of the superiors. There is very less communication between employees and superiors, and the employees do not feel free to share their work experience with the superiors.
3. **Style 3- Consultative:** In this Likert style of leadership, the responsibilities are widely spread throughout the organisation between various employees. The subordinates in the different levels of the organisations are given different responsibilities. The employees and subordinates work as a team and take appropriate decisions. In this style, there is a clear communication between the superiors and subordinates. But still the power to form policies and rules lies in the hands of the top management. The employees are highly rewarded as per this performance and even punished for their poor performances. In this style, employees can share their work-related issues with the superiors freely. The system promotes a healthy work environment for the employees and motivates them to work efficiently.
4. **Style 4- Participative:** In this last style by Rensis Likert, the power and the responsibility to achieve organisational goals is given to all the employees in the organisation. Here the power is not only in the hands of superiors but also in the hands of the subordinates. In this style of leadership, each employee has been assigned a specific

role to that contributes in the success of the organisation. The superiors have the utmost confidence and trust in their employees. The employees also participate in the decision-making process. The employees are provided with a healthy work environment and they are motivated continuously by their superiors.

3. The Blake and Mouton Managerial Grid Model

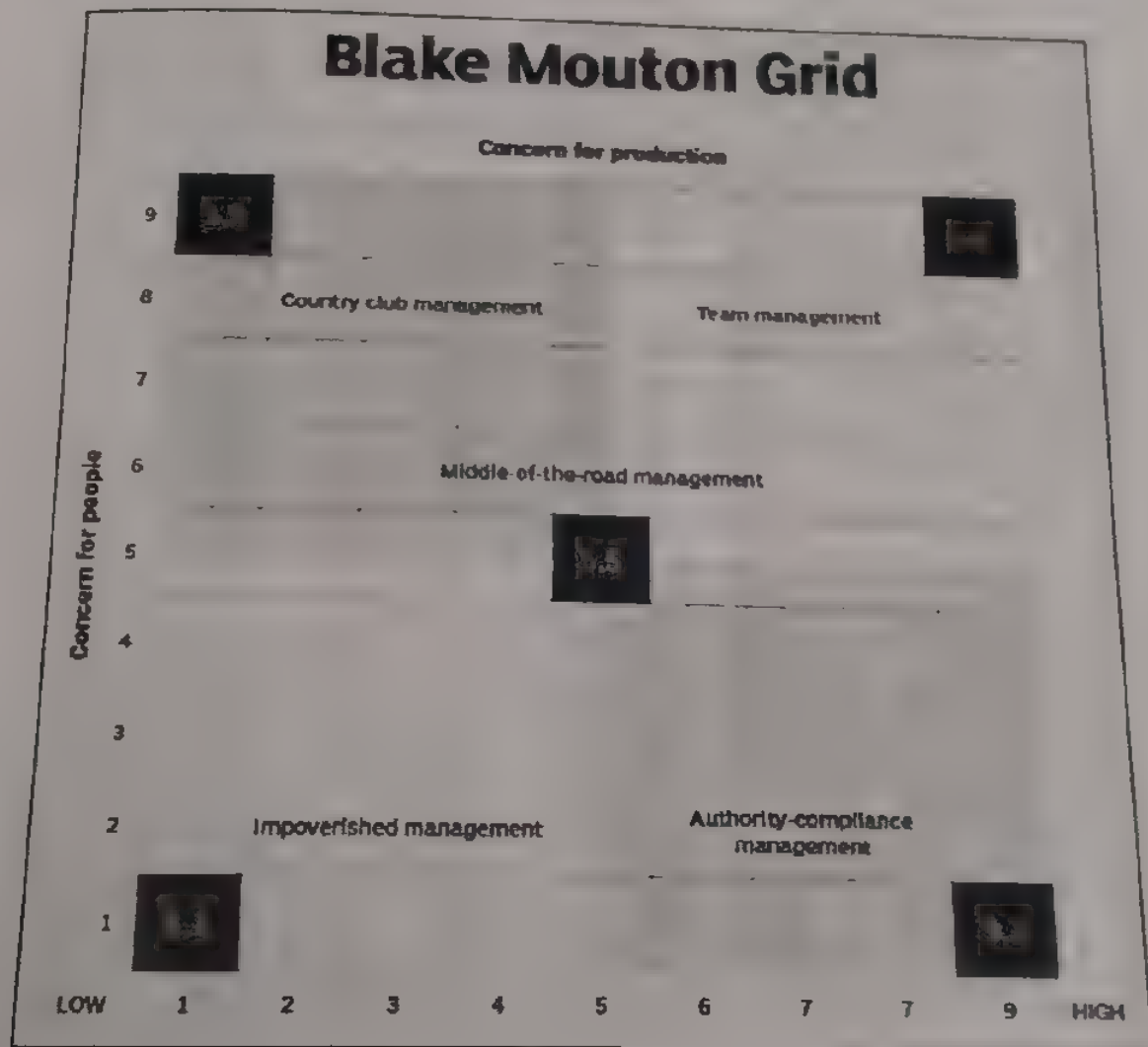
The managerial grid model; also known as Blake and Mouton Managerial Grid Model was developed by Robert R. Blake and Jane S. Mouton in the 1960s. Robert R. Blake was a pioneer in organisational dynamics and an American management theoretician. Jane S. Mouton was also a management theoretician. This model is a self-assessment tool wherein individuals and organisation identify their manager's style.

The Blake and Mouton Managerial Grid model, indicates how a manager or leader prioritises output, people, or both depending on where a person falls on their managerial grid, and as per this their behavioural or management style can be predicted.

The Blake Mouton Grid is created using a horizontal axis and a vertical axis that meet at a right angle and are rated on a nine-point scale:

Horizontal axis—concern for production: A one, or low concern for production, is placed to the far left of the horizontal axis, close to the right angle; a nine, or high concern for production, is located on the far right of the horizontal line. A high concern for production indicates that the leader prioritises objectives, results and productivity when determining how a task should be accomplished.

Vertical axis—concern for people: A one, or low concern, falls at the bottom of the vertical line, close to the base near the right angle, while a nine, or high concern for people, is placed at the top of this vertical axis. A high concern for people indicates that the leader prioritises the needs and interests of people when determining how a task should be accomplished.



The grid is explained as follows:

- 1. Impoverished Management (1, 1):** Managers with this approach are low on both the dimensions and exercise minimum effort to get the work done from subordinates.

The leader has low concern for employee satisfaction and work deadlines and as a result disharmony and disorganisation prevail within the organisation. The

leaders are termed ineffective. They usually aim at preserving job and seniority.

The mantra is preserve the status quo—a *laissez-faire* style.

2. **Task management (9, 1):** This grid style is also called dictatorial or perish style. Here leaders are more concerned about production and have less concern for people. The style is based on theory X of McGregor. Here, Taskmasters have a high focus on results and tasks but with little concern for relationships. The employees' needs are ignored. The leader believes that efficiency can result only through proper organisation of work systems and through elimination of people wherever possible.

This style can definitely increase the output of organisation in short run but due to the strict policies and procedures, high labour turnover is inevitable. Here the mantra is "Produce or perish".

3. **Middle-of-the-Road (5, 5):** This is basically a compromising style. Here the leader tries to maintain a balance between goals of company and the needs of people. The leader does not push the boundaries of achievement resulting in average performance for organisation. Leader tries to maintain the balance between people and work, but fails to achieve it. Here neither employee nor production needs are fully met. The mantra for this style is "Don't rock the boat".

4. **Country Club (1, 9):** This is a collegial style characterised by low task and high people orientation where the leader gives thoughtful attention to the needs of people thus providing them with a friendly and comfortable environment. This style is more concerned with maintaining relationships, and less so for results and

productivity. The leader feels that such a treatment with employees will lead to self-motivation and will find people working hard on their own. However, a low focus on tasks can hamper production and lead to questionable results. Matra is "People pleasers".

5. **Team Management (9, 9):** This style is characterised by high people and task focus. This style is based on the theory Y of McGregor and has been termed as most effective style according to Blake and Mouton. This style shows very high concern for both people and results. The leader feels that empowerment, commitment, trust, and respect are the key elements in creating a team atmosphere which will automatically result in high employee satisfaction and production. There is a good balance of long-term trust and development. This style is termed as "Democratic."

Conclusion

The managerial grid theory is important for managers in terms of coming up with personal growth ideas, keeping members intact, satisfied, and competent, as well as identifying their leadership style and other improvements. The major challenge of the managerial grid style is that it is schematic and does not address many other aspects of leadership management, instead focusing solely on people and productivity.

4. Fiedler's Contingency Theory

Fiedler's Contingency Theory, also known as Fiedler's Contingency Model or Fiedler's Theory of Leadership was developed by Austrian psychologist, Professor Fred Fiedler in 1960s. Professor Fred Fiedler had studied many leaders' personalities and characteristics and have arrived to the conclusion that leadership style, since it is formed through one's

life experiences, is incredibly difficult, if not impossible, to change.

Fiedler's Contingency Theory is the most effective leadership style for any given situation is one that aligns with the situation at hand. It states that there is no one best style of leadership; but the best leadership style can only be determined by the leader's inherent strengths and the way they work with their teams and situations in hand.

After detail research Fielder has found that the leader's ability to succeed is based on two factors:

- (a) Natural leadership style
- (b) Situational favourableness

(a) **Natural Leadership Style:** According to Fielder, there are two types of leaders

- *Relationship Oriented*
- *Task Oriented*

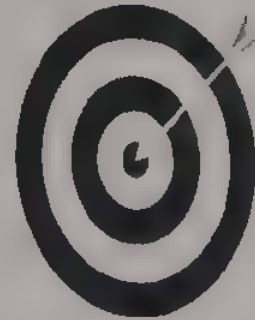
To determine which kind of the leader an individual is; a test is been conducted known as "**Least Preferred Coworker (LPC) test.**" In this test, a leader are required to score their co-workers based on various criterion. Leaders are required to rate their least-preferred coworker from 1-8 on a variety of different criteria.

On the basis of final score; an individual's leadership style is determined.

- (i) **High Score High LPC Leader:** This implies that a leader is a relationship-oriented leader. His leadership style is characterised by his effectiveness at building relationships and managing conflict. It can be termed as leader is a "Relationship-Oriented Leader."
- (ii) **Low Score Low LPC Leader:** This implies that leadership is characterised by a strong ability to

organise teams and projects for more efficiency and effective task accomplishment. It can be termed as leader is a "Task-Oriented Leader."

Fiedler Contingency leadership styles



Relationship-oriented leaders = High LPC Score
= Good at building good relationships and managing conflict to get things done

Task-oriented leaders = Low LPC Score =
Good at organizing teams and projects and getting things done

(b) Situational Favourableness: The next important factor in leadership effectiveness is situational favourableness. This states that every situation that requires leadership is different and requires a specific type of leader. The favourability of a situation depends on how much influence and power an individual have as a leader.

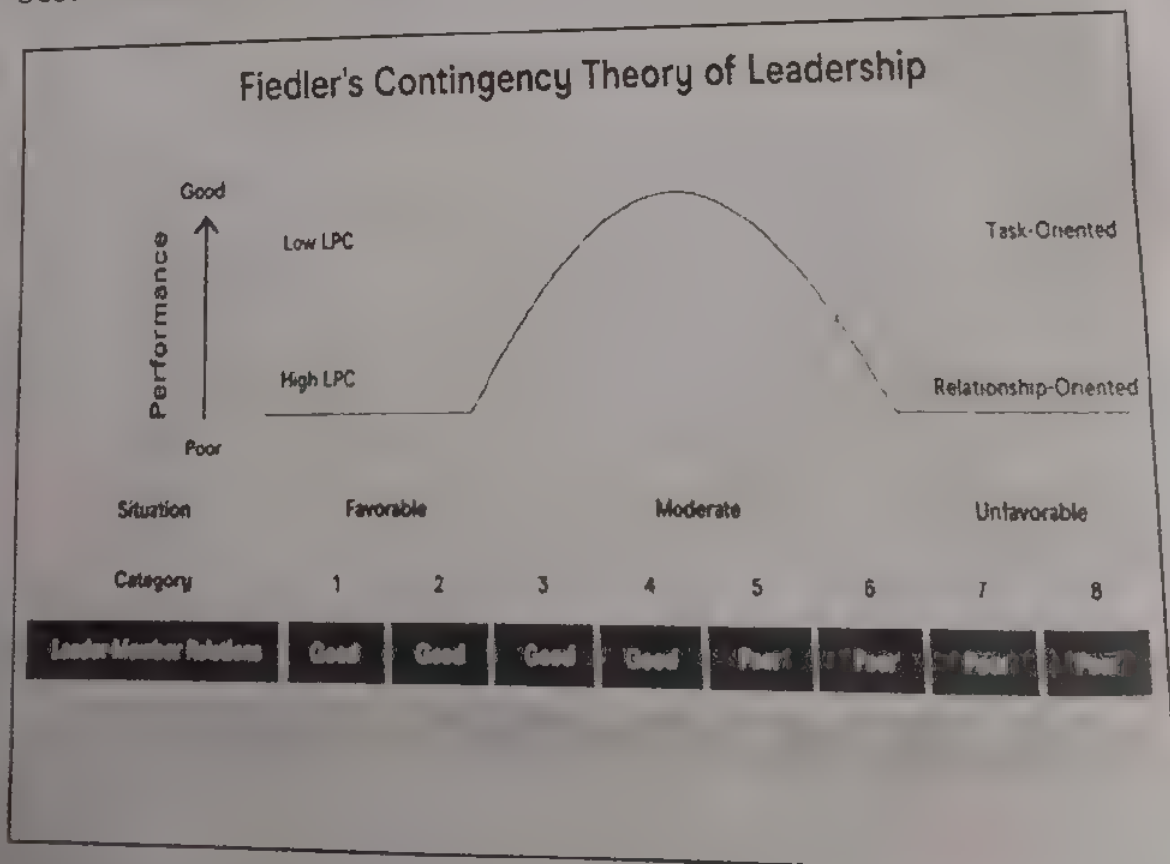
Fiedler's model, the situational favourableness is determined by three distinct factors:

(i) Leader-Member Relations (rated as either 'good' or 'poor'): This factor relates to the level of trust and confidence that the team has in the leader. The more trust the team has, the more likely the leader will succeed. Without trust, motivating and engaging team members and achieving the project's objectives is hard.

- (ii) **Task Structure (rated as either 'High' or 'Low'):** This refers to the clarity and structure of a task completed by a leader and their team, as opposed to ambiguity and uncertainty. Unstructured tasks can hinder a leader's ability to provide effective results.
- (iii) **Leader's Position Power (rated as either 'Strong' or 'Weak'):** The final factor concerns the leader's ability to direct the group. The greater a leader's ability to push results, issue awards, and administer discipline, the better the situation.

4.1 How to use Fiedler Contingency Model to select a Leader?

According to Fiedler's model, each leadership style works best in different situations.



- (a) If you're a task-oriented leader, your leadership style is best suited to situations with great favourableness. You'll

prosper whether in an extremely favourable or negative environment.

- (b) If you're a relationship-oriented leader, you're the most effective in circumstances with situational favourableness that falls somewhere in the middle.

4.2 Benefits of Fiedler's Leadership Model

The following benefits using Fielder Leadership Model which will help to improve your leadership effectiveness:

1. **Ease in selecting style of leadership:** Fiedler's model offers a quick and easy way to determine your own leadership style and what will provide the best results in a given situation. Whereas other frameworks are difficult and unclear. This ensures that leader is in the right place while also helping you organise your lower-level managers and supervisors.
2. **Ease in Delegating the task:** By defining your own leadership style as well as providing a perspective on the ideal style for a given situation, you can delegate leadership to others if they are more suited. Many other leadership models just focus on the person, making them more difficult to implement in practice.
3. **Reduced Team Conflicts:** Fiedler's methodology helps reduce team conflicts by examining not just the leader but also the scenario at hand, indicating the type of leader who would be most effective for the team. This can save you time by designating the appropriate type of leader the first time.
4. **Helps in identifying areas of improvement:** The Fiedler assessment matrix provides a clear score and standard for your leadership style. For those seeking a well-rounded approach, it provides a clear picture of

where you fall on the scale and where you might grow to become more balanced.

4.3 Limitations of Fiedler's Leadership Model

There are certain limitations to this leadership Model which are stated as follows:

- The style is very rigid. It states that if you are unable to modify the situation, the notion suggests that the only option is to give up the leadership.
- It is unclear about the score of the leaders who fall in the middle range of the LPC test. The theory only states that "figure it out." That means, pick your style that suits the situation, and this may not be your natural tendency.
- Self-assessment is not usually accurate. Even when we strive to be self-aware when taking the LPC test, our egos and biases tend to interfere, even unintentionally.
- The theory may discourage effective leaders, particularly if they believe their leadership style and environment are at odds when they are not.

5. Tannenbaum and Schmidt Leadership Continuum

Tannenbaum and Schmidt Leadership Continuum is developed by Psychologists Robert Tannenbaum and Warren Schmidt in a paper published in the Harvard Business Review in 1958 and it was updated in the year 1973. The model depicts a range of possible management strategies ranging from top-down dictatorial management on one side, to fully collaborative, team-based working on the other.

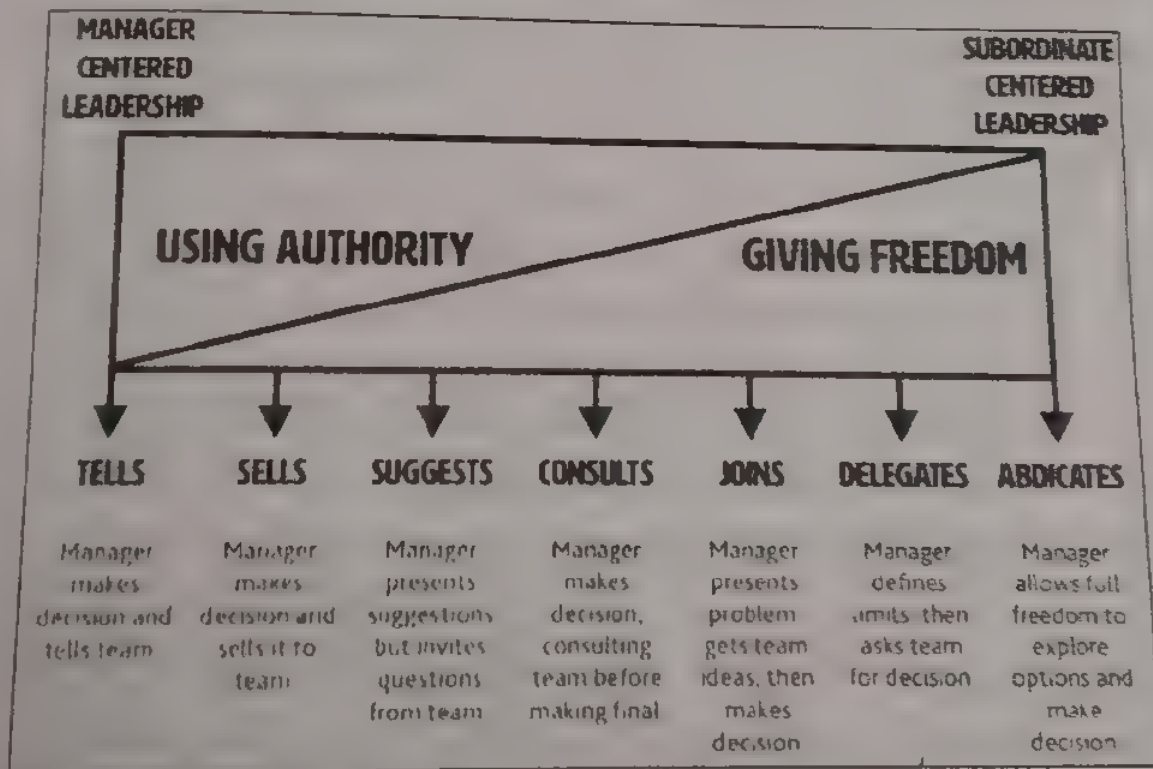
Robert K. Tannenbaum was a Professor at the UCLA Anderson School of Management, and an organisational psychologist. His writing partner Warren H. Schmidt, a Doctor

of Psychology, who also taught at UCLA, was an ordained Lutheran minister in a previous career.

The Tannenbaum and Schmidt continuum includes seven distinct leadership styles for managers and other leaders to consider. The seven approaches differ, each providing a distinct balance of administrative authority and employee autonomy. Finding the correct combination of administrative authority and employee freedom boosts human systems and efficiency.

The 7 Stages of the Tannenbaum Schmidt Leadership Continuum:

Seven Levels of Delegation



Tannenbaum and Schmidt invented a model presenting visually the choices leaders have in how they reach decisions. A visual of the model is below. As we move from left to right on this diagram, the leader hands over their power to make decisions on their own and increases group involvement.

1. Telling: This is a Autocratic Style of Leadership. Here, the leader tells their subordinates what to do. The leader

also make all decisions without even consulting their teams. This leads to lack of motivation and engagement among the team. The team members don't feel involved in the decision making process. This results in limited creativity and innovation, since it does not encourage differing opinions.

2. **Selling:** Selling is a top down approach. In this approach, the leader makes the decision, but it takes time to convince the team of its merits. By detailing the decision making process, a leader using this method hopes to persuade subordinates that their decisions are valid, evidence-based, and not arbitrary or idiosyncratic.
3. **Suggesting:** Here, the leader presents their employees with a variety of possibilities and encourages agreement to emerge around the best option. This lowers the leader's capacity to make the final decision while giving the team more options. Even though this technique appears democratic, it can come out as manipulative or a waste of time if the leader is not truly open to alternative solutions. It might foster distrust if the team believes the leader has already taken a choice.
4. **Consulting:** In this stage, the leader seeks the team's opinions in a more open format, before taking the final decision themselves. Consulting helps leaders to avoid biases, conflicts and help them remain open minded and conscious about their choices. Consulting is a top-down decision.
5. **Joining:** In this level, the leader collaborates with his team for decision making. In this level the participation level is equal between superiors and subordinates. There is high levels of trust, competence, and collaboration among the team members. It is important for the leader to

decide the teams, fix the responsibilities, and manage the risk.

6. **Delegating:** As the name suggests, in this level, the leader delegates the decision-making power to its team members. The leader has a high degree of confidence in their team members, they may begin to delegate more and more decision-making responsibility. Delegating task to the team might be difficult if the team lacks the requisite knowledge or experience to make an informed conclusion. It can also cause inconsistencies if various people make opposing decisions.
7. **Abdicating:** In this level, the leader gives complete control to his team for all the decision making. The leader abdicates responsibility and lets their employees run the company without any of his suggestion or interferences. This approach can be risky as the leader gives away all the powers to the teams without proper understanding of the further consequences.

5.1 Advantages of the Tannenbaum and Schmidt Model

The following are some of the advantages of Tannenbaum and Schmidt Model are as follows:

- The model depicts the relationship between managerial authority and team autonomy, as well as the many points at which a balance can be achieved.
- This approach considers both feasible and non-viable approaches of management, which is something that many models overlook.
- The continuum identifies approaches that are effective in some industries or sectors but may not be suited elsewhere.

- The Tannenbaum and Schmidt model highlights past techniques that have fallen out of favour (dictatorship), while also shining a light on types of leadership that are gaining popularity (partnership).

5.2 Disadvantages of the Tannenbaum and Schmidt Model

The following are some of the disadvantages of Tannenbaum and Schmidt Model are as follows:

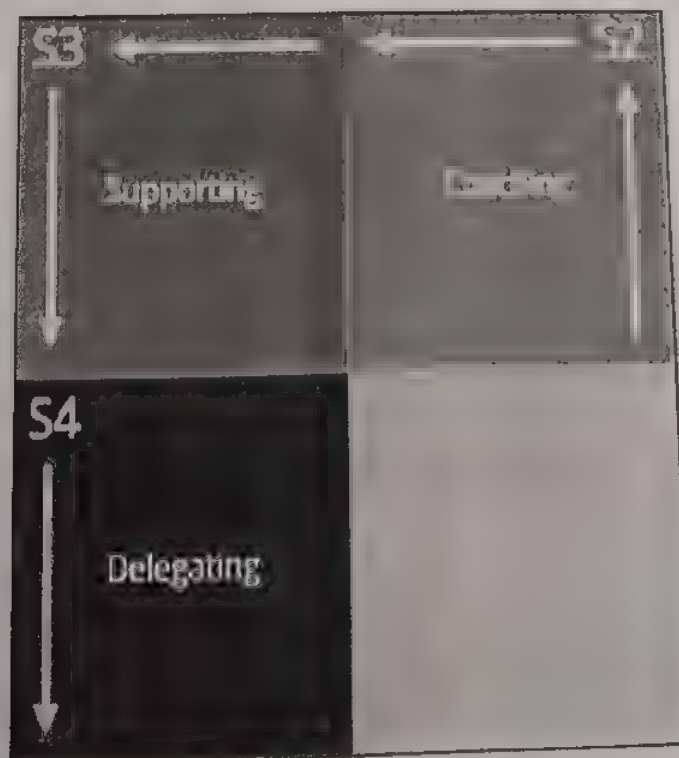
- The continuum may provide the incorrect impression that leaders pursue a single style that falls somewhere along this range. In actuality, leaders may use many styles at different times.
- The Tannenbaum and Schmidt model does not account for the fact that various departments within the same organisation may function with distinct leadership styles. Finance is unlikely to take the same method as R&D, for example.
- The model fails to recognise that in times of crisis, a firm may adopt a leadership style that differs from the norm.
- The continuum focuses mostly on the decision-making aspect of leadership. It is less concerned with the importance of motivation and mentoring, for example.
- Finally, the model does not specify how flexible techniques are. A leader may have to make a range of decisions, some of which can be totally delegated and others not. The continuum is perhaps best viewed as the complete range of possible approaches to corporate decision-making.

6. Hersey-Blanchard Model

Hersey-Blanchard Model is developed by Paul Hersey and Kenneth Blanchard, the model is also been known as the Situational Leadership Model. This model focuses on the ability and willingness of an individual employee. This model is more suited for individual leadership (one-to-one) rather than one to many leadership. Members of a team may differ greatly in terms of skill, confidence, and dedication, therefore one behavioural approach may not be appropriate for all. The first step for leaders utilising this strategy is to determine which group each team member belongs to. The second key is to adjust their behaviour to fit that individual. The third essential is to detect when that person has progressed from one group to another and then adjust your leadership style accordingly.

Hersey and Blanchard defined leadership styles as the amount of Relationship and Task Behaviour that the leader need to provide their team members. They categorised these into four behaviour types (known as S1 to S4).

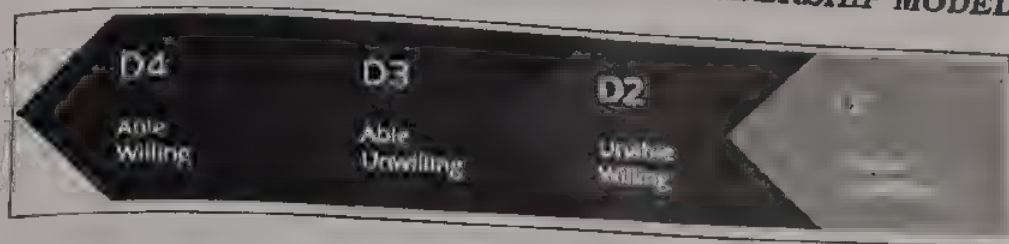
Four Behaviour Types



1. **S1—Directing:** It is the most collaborative form of leadership style. The leader continues to direct the team members, and the leader frequently collaborates with the team. During this technique, the leader is more likely to collaborate with the team members, although the leader may still direct the team members toward a certain goal.
2. **S2—Coaching:** In this leadership style, the leader will simply instruct the team on what to do and how to do it. This is not a collaborative strategy, and the leader will often work independently of the other members.
3. **S3—Supporting:** This is also known as participative style; wherein it is all about building the relationships with their team. This style involves listening, praise and a high level of interaction between leader and follower. Here, the leader encourages their team members to take decisions who are specialised in their areas.
4. **S4—Delegating:** In this style, the leader delegates the work and responsibility to other team members. Delegating is empowering the team to accept responsibility for the task at hand. This technique is often employed when the team has greater experience and does not require much guidance or direction. The subordinate is absolutely capable and willing to carry out the job independently and with great responsibility. The leader can encourage autonomy further while avoiding overburdening the team members with duty and remaining in close proximity with their team.

Analysing the Hersey-Blanchard Model

The Hersey-Blanchard model uses a diagram to classify employees based on their capacity and experience. In the model, employees are referred to as 'followers,' while managers are referred to as 'leaders.'

HERSEY-BLANCHARD SITUATIONAL LEADERSHIP MODEL

The above diagram describes four distinct groups of followers, each organised by their ability and willingness to work.

- Ability refers to a follower's ability to perform their job successfully with a combination of skills and experience.
- Willingness refers to followers who are motivated to take on a task and have the confidence to carry out their responsibilities.

Based on the Hersey-Blanchard model, the four groups of followers are:

1. **D1—Unable and Unwilling:** D1 followers are the one who have least experience. They are unable to execute their responsibilities because they lack the necessary abilities for success. They are also unmotivated and underconfident in their talents. This can also be described as **"Low Competence and Low Commitment."**
2. **D2—Unable and Willing:** In this stage, the team members still lack experience and knowledge to perform task. But, they are still willing to try and complete the mission. It exemplifies fresh employees who are driven to succeed but lack the necessary knowledge and skills. They can be described as **"Low Competence and High Commitment."**
3. **D3—Able and Unwilling:** In this category, the followers are able, they are experienced, they possess required skills to complete the task. But, they are not motivated to perform the task. The reasons for this behaviour are

twofold: followers may be unmotivated to comply with the leader's request, or they may be worried about doing the activity without adequate support and encouragement from the leader. This can be termed as "**High Competence and Low Commitment.**"

4. **D4—Able and Willing:** In this stage, followers have required skills and experience to perform the task. And they also have willingness to perform their duties. They are able and willing to not only do the task, but to take responsibility for it. In this stage, both competence and commitment are considered to be high in terms of Blanchard's version of the Situational Leadership Model. This is referred as "**High Competence and High Commitment.**"

Questions

1. Explain Global Leadership Theories.
2. Explain the Charismatic Leadership Theory.
3. Explain Likert's four system leadership.
4. Explain Blake and Montons Managerial Grid Theory.
5. Explain Fiedler's Contingency Theory.
6. Explain Tennenbaum and Schmidt's Leadership Theory.
7. Explain Hersey and Blanchard's Situational Leadership.



4 Global Management Styles

Synopsis

(A) Meaning Management Style

(B) Different Management Style

(C) Global Management Styles

1. Indian Management Style
2. American Management Style
3. Japanese Management Style
4. European Management Style
5. Difference between Indian, American and Japanese Management Style

(A) MEANING OF MANAGEMENT STYLE

Management plays a vital role in building up bond among the employees and making them work as a single unit. It is the responsibility of the manager to ensure that the employees are satisfied with the job responsibilities and delivers the best to the organisation.

The management must have a thorough understanding of its employees and make effort to meet their needs for a stress-free work environment. Every leader has a unique style of handling the employees. The various ways of dealing with the subordinates at the workplace is called as management style.

The future plan of action must be determined by the superiors in light of the current workplace culture and circumstances. The management style of functioning is also influenced by the character and attitudes of the personnel. The managers must determine the future course of action based on the existing culture and conditions at the workplace. Employee nature and attitudes have an impact on management style as well.

(B) DIFFERENT MANAGEMENT STYLES

1. Autocratic Style of Working
2. Paternalistic Style of Working
3. Democratic Style of Working
4. Laissez Faire Style of Working
5. Management by Walking Around Style of Working

1. Autocratic Style of Working

In this style of working, the superiors do not consider the ideas and suggestions of the subordinates. The managers, superiors and leaders have sole responsibility of taking the decisions without concerning the subordinates. The subordinates or the employees do not have the liberty to take decisions on their own, but are totally dependent on their superiors for the same. The subordinates simply adhere to the guidelines and policies formulated by the superiors. They do not interrupt in the management decisions. Whatever the superior feels appropriate for the organisation becomes the company's policy. There is lack of employee motivation in autocratic style of working.

2. Paternalistic Style of Working

In this style of working, the leaders or superiors choose the best for the employees as well as organisation. Policies are formulated to benefit the employees and the organisation. Employee's suggestions and feedback are taken into

consideration before taking the final decision. Hence, the employees feel attached and are loyal towards their organisation. Employees stay motivated and love their work rather than handling it as a burden.

3. Democratic Style of Working

In such a style of working, subordinates feedback and suggestions are welcomed by the superiors. Employees are invited to discuss the pros and cons of the plans and ideas of the business. This working style ensures effective and strong communication between the management and the employees. The superiors considers employees opinion before finalising the plans and objectives of the business.

4. Laissez-Faire Style of Working

In such style of working, managers do not contribute towards the organisation and are employed for name sake. The employees are solely responsible for taking decisions and managing the work. Individual who dream big and desires to do something innovative, outshine those who are working for fun in the organisation. Employees do not rely on the managers and understands what is right or wrong for them.

5. Management by Walking Around Style of Working

In this style of working, managers consider themselves as an important part of the organisation and are good listeners. The superiors interconnect with the employees frequently to identify their concerns and suggestions. The leaders in this style acts as a mentor to its employees and guides them whenever and wherever needed. The managers wanders around and examines what is happening around them in the organisation.

(C) GLOBAL MANAGEMENT STYLES

1. Indian Management Style

Indian Management style also known as Bhartiva Management concentrates on formulating management principles and practices derived from ancient Indian wisdom. The Indian management approach is grounded in the philosophical and cultural traditions of India. It highlights the significance of spirituality, ethical conduct, and social responsibility within business and management practices.

Key Principles of Indian Theory of Management

1. **Ethical Leadership and Social Responsibility:** The Indian theory distinguishes itself from conventional models by prioritising the interests of all stakeholders rather than solely those of shareholders. This approach underscores the importance of ethical conduct and social responsibility towards various groups, including employees, customers, the community, and the environment. Central to this theory are the principles of responsible business practices and a dedication to sustainability.
2. **Holistic well-being:** The Indian theory adopts a comprehensive perspective by emphasising the interconnectedness of mind, body, and spirit. It recognises the importance of not only achieving material goals, but also fostering the mental, physical, and spiritual health of employees. This approach creates a workplace atmosphere that enhances overall satisfaction and mitigates stress.
3. **Leadership Development:** This concept highlights the significance of personal growth for leaders. It advocates for an ongoing journey of self-exploration and

enhancement to evolve into a more impactful and motivating leader.

4. **Work-life Balance:** Indian principles highlight the importance of maintaining a harmonious balance between professional responsibilities and personal life. This approach fosters a more sustainable work environment, enabling employees to prevent burnout and maintain consistent contributions over the long term.
5. **Limited Research:** Indian theory is attracting attention, however, it does not possess the same level of empirical research as compared to the established management concepts. Further research could enhance its foundational support.
6. **Cultural Considerations:** Some concepts may be unique to specific cultures and require modification for broader global relevance.
7. **Karma and Responsibility:** The principle of action and consequence, embodied in the concept of karma, is fundamental. It emphasises the importance of accountability for one's choices and their repercussions, thereby encouraging a reflective and principled approach to business practices.
8. **Integration with Modernity:** The successful integration of Indian theory necessitates a careful alignment with contemporary management practices to maintain its significance in the current business environment.

Features of Indian theory of management

1. **Slow decision making:** The decision-making process is slow and is undertaken by the authorised person. The superiors or authorised persons operating at different levels of management takes the decision on behalf of the others working in the organisation.

2. **Adheres formal structure:** The Indian management system adheres to formal organisational structure. Every individual in the organisation collectively performs their responsibility and accountability. They have low competitive spirit towards others.
3. **Conduct campus interviews:** The companies in India meet their manpower requirements by conducting mixed recruitment process. The lifetime recruitment is common in large companies in India.
4. **Career conscious people:** The people in India are more career conscious and shows their loyalty more towards the organisation they are working in.
5. **Promotions based on performance:** The promotions in Indian Companies are dependent on group performances. The superiors on annual basis evaluate the performance of the group to select the most efficient worker in the organisation. Unbiased decision is taken during the promotion process.
6. **Training and development programmes:** Indian system lacks in training and development programmes. It is essential for the success of the business worldwide. It not only offers opportunities to improve skills, but also helps employees enhance productivity and improve company culture.
7. **Common leadership:** The leaders in India have common values facilitating cooperation. Leader acts as a social facilitator and group member. This means all important decisions are undertaken by the leader. The others working in the organisation has to follow the decisions taken by the leader.
8. **One-way communication:** One-way communication takes place in Indian style of management. The

communication takes place from top to bottom, that is from the superiors to the subordinates.

2. American Management Style

America is ahead in development as compared to the world. America is the leader in modern management techniques. American economy is a free economy and people lead their lives freely without much social checks and hurdles.

They want to guide independent life and are accustomed to the "hire and fire" style of management. Employment on contractual basis started in America, which is being followed by other countries of the world.

Features of American Management System

1. **Fast Decision Making:** The decision-making process is fast and is undertaken independently. The superiors or people operating at different levels of management takes the decision on behalf of the others working in the organisation.
2. **Adheres Bureaucratic and Formal Structure:** The American management system adheres to bureaucratic and formal organisational structure within certain line of individual. Each individual should perform their responsibility and accountability.
3. **Conduct Campus Interviews:** The companies in America meet their manpower requirements by conducting campus interviews and attracting people working in other companies. It is helpful in developing a culture of persistent hopping.
4. **Career Conscious People:** The people in America are more career conscious and show their loyalty more towards their profession rather than the organisation they

- are working in. They use their current company as a chance for the advancement of their career.
5. **Promotions based on Performance:** The promotion in American companies are dependent on individual performances. The superiors on annual basis evaluate the performance of the subordinates to select the most efficient worker in the organisation. Unbiased decision is taken during the promotion process.
 6. **Training and development programmes:** The training and development programmes are important element for all types of organisations in the United States of America. It is essential for the success of the business worldwide. It not only offers opportunities to improve skills, but also helps employees enhance productivity and improve company culture.
 7. **Autocratic Leadership:** The leaders in America follows autocratic or directive leadership style. This means all important decisions are undertaken only by the leader. The others working in the organisation has to follow the decisions taken by the leader.
 8. **One-Way Communication:** One-way communication takes place in American style of management. The communication takes place from top to bottom, that is from the superiors to the subordinates.

3. Japanese Management Style

Japanese management, also referred to as "Japanese-style management" is a set of management principles and practices that have traditionally been linked with Japanese companies. The years following World War II, gained attention and recognition on global level due to the success of several Japanese firms. Its emphasis on continuous improvement, effective co-operation and respect for hierarchy. Japanese businesses are succeeding in

sectors including steel, electronics, and automobiles due to implementation of proper Japanese management techniques. Japan has had magnificent economic progress and prosperity in a short time and is considered as strong industrial power globally. As a result, they acquired attention and interest from both industrialised and developing nations. The success of Japan is a featured to its unique management system.

Nature of Japanese Management

1. **Nenko' or Lifetime Employment:** Freshmen from reputed educational schools are employed each year under the Japanese management system. A person stays employed till retirement with the corporation after joining it. Except the senior most executive, others retire between the age 55 to 60. Also, those who attempt criminal acts are been terminated from their job before retirement. Job switching is disapproved in Japan. Japanese employees may lose all his seniority and has to start from scrap if he leaves one job and join another.

Advantages

- (i) Prevents bitterness between rivals in the market.
- (ii) Employees turnover and hiring expenses are kept minimum.
- (iii) Development of trust and loyalty towards the company.

2. **'Ringi' or Consensus Decision-making:** In Japanese system decisions are mutually taken among the managers at different organisational levels. After consultation, the young manager is given a task of summarising a proposal into writing. Before adopting the decision, the idea is passed from bottom to top through a complicated process. It is important for the idea to be 'approved by 60 to 80 peoples, and the duration can be two weeks to two years.

Advantages

- (i) Decision-making idea is first distributed to lower levels of management
- (ii) It promotes harmony and reduce conflicts at the work place.
- (iii) Allows contribution from lower levels of management
- (iv) Strengthens commitment to make their own choices

3. Job Rotation or Non-specialised Career Paths:

Employees in Japanese companies keep switching their job and positions during their career to experience diverse fields of work. They have sufficient understanding of key managerial areas as they have had arrived to the top in their profession. This system lacks in accurate specialisation, but can be overcome through better coordination among different departments, wider interpersonal relationships, and adaptable staff.

4. Slow Evaluation and Seniority-based Promotion

System: Individual performances are reviewed based on the long-term contributions made by them. They receive their first appraisal on the performance after about ten years of employment. Slow evaluations and seniority-based promotions promote long-term employment by preventing short-term business profits and enhancing workforce stability. Unhealthy employee rivalry and jealousy can be avoided by establishing impartial, objective standards for age and length of service. These promote a collaborative relationship where top staff members lead decision-making.

5. 'Omikoshi' or Collective Group

Responsibility: Instead of working as individuals, employees act, think, and work as groups. A team or

group approach cuts down on unnecessary practices while allowing each worker to exercise initiative in determining the best way to accomplish their jobs and enjoy their work. They carry the company in a manner similar to a group of people carrying the portable shrine (Omi Koshi) a feature of Shinto festivals. Although they follow a predetermined path, but they do so in a manner of their own choosing.

6. **Paternalistic Human Concern:** The organisation demonstrates a paternalistic approach towards its employees, both in the workplace and beyond. Examples of this concern include the provision of company housing, opportunities for indoor and outdoor recreational activities, special family allowances, as well as hosting parties and social events. The relationship between senior and junior staff resembles a father-child dynamic (OYABUN-KABUN). An executive within the company often takes the initiative to find educational institutions for an employee's child, organises weddings for an employee's sister or daughter, and even facilitates medical care for an employee's ill family member. This creates a sense of security within the team, allowing the organisation to function cohesively, akin to a large family.
7. **Profit-based Compensation System:** Corporate performance is closely linked to the compensation of employees. Every six months, bonuses add up and make up a significant part of the compensation. Each employee is eligible for a bonus that can amount to five or six times their salary, representing a fraction of their annual earnings. In the process of establishing compensation, the focus is placed on collective performance rather than individual achievements. As a result, employees assume a greater share of the business risk, as they have a vested

interest in the company's success. Additionally, group bonuses foster a sense of belonging among employees.

8. Quality Control Circles (QCC): In Japanese work culture, quality is regarded as the highest priority. To tackle issues related to productivity and quality workgroups are formed. A company may have several quality circles, each overseen by a supervisor. These circles convene weekly to generate and implement strategies aimed at enhancing both quality and productivity. Innovative ideas are disseminated through internal publications and are often acknowledged through award nominations. This intense dedication to quality is a key factor that enables Japanese companies to succeed in American and European markets, especially within the automotive and electronics sectors.

9. Egalitarianism: The workplace culture within Japanese businesses is characterised as egalitarian i.e., democratic and rank differences are minimised. There are number of ways to demonstrate equality. For instance, all employees, from the managing director to the sweeper, are in the same grey uniform. Everyone is forced to eat in the same cafeteria keeping the traditional notions of hierarchy and caste aside. Executives do not have private rooms as in Japan everyone sits down together. The transparency of operations is further enhanced by open workstations located in hallways, allowing visibility of activities. Punctuality holds significant importance in Japanese companies. Employees enjoy two precisely timed tea breaks of seven and a half minutes each, while the lunch break is allotted a full thirty minutes. Additional examples of egalitarianism include shared restrooms and workplace anthems, among others.

10. **Focus on Self-discipline and Harmony:** Japanese management practices promote a culture that discourages internal competition. The focus is on fostering harmony and collaboration, while social rejection deals with individual show-offs. From a young age, individuals in Japan are taught the importance of self-discipline, which cultivates qualities such as obedience, dedication, and patience.
11. **Strong Emphasis on Training:** In a Japanese corporation, greater emphasis is placed on an individual's character, upbringing, and family background rather than solely on their experience and skills during the employee selection process. Recruiting or hiring individuals at entry-level positions and providing them with training, promotes compliance.

Limitations of Japanese Management

The limitations of Japanese Management Styles are as follows:

1. **Discrimination against workers:** The lifetime employment structure results in discrimination against individuals who are hired later in their careers, as well as against non-permanent employees, including temporary staff and female workers. The rigidity of this structure prevents employees from transitioning to different careers midway forcing those who are unhappy in their roles to remain in unsuitable positions.
2. **Delays in decision-making:** Delays in the decision-making process can be attributed to the RINGI system. The consensus mechanism may not operate efficiently in the presence of unexpected events. It becomes challenging to attribute credit for bold decisions or to hold individuals accountable for mistakes.

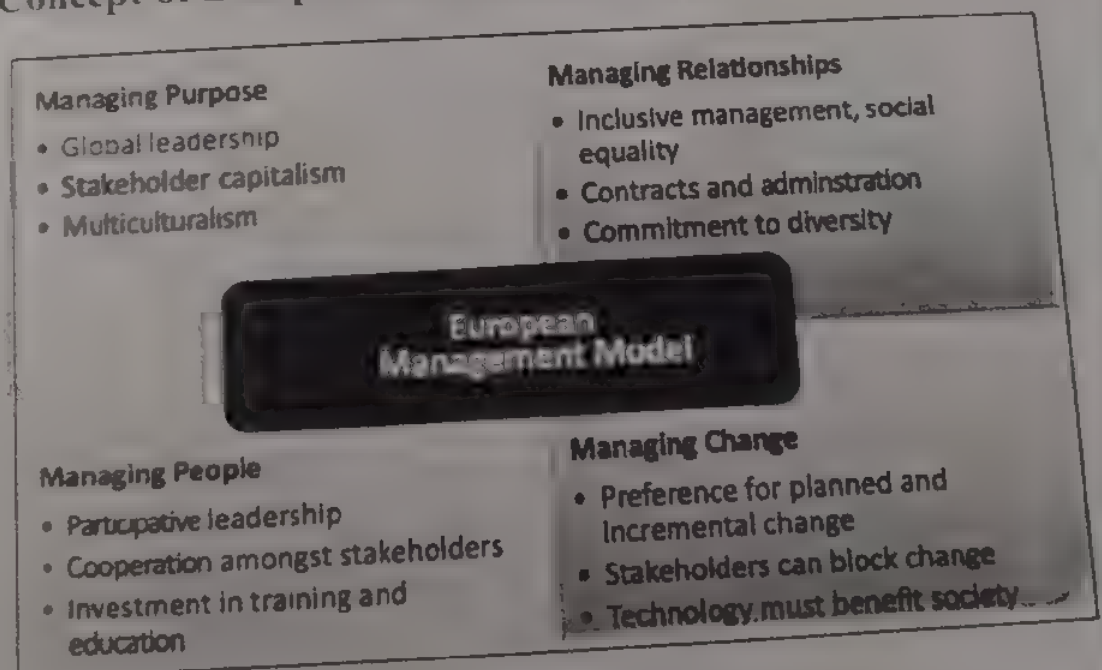
3. **Seniority-based promotion and compensation:** Seniority-based promotion and compensation systems hinder individual initiative and creativity. Despite their proficiency in fostering social harmony, employees often find themselves lacking in originality and autonomy. The exceptional worker loses motivation since there is absence of hope for unexpected career success. This situation can lead to feelings of frustration when opportunities for progression are limited.
4. **Values and individual independence:** The personal values and individual autonomy are often sacrificed for the benefit of the group. Approximately one-third of the workforce, consisting of temporary and part-time employees, lacks access to the benefits associated with lifelong job security.
5. **Mandatory retirement age:** The compulsory retirement age of 55 is typically maintained. Retired individuals often face financial challenges due to insufficient retirement benefits and a reduction in family responsibilities. As a result of inadequate pension provisions, retirees are compelled to seek employment post-retirement to sustain themselves.
6. **Decline in employee morale and corporate loyalty:** There has been a slight decrease in employee morale and corporate loyalty. The advancements in technology, coupled with the centralised management and the centralised management style in Japan, may result in a diminished level of democratic participation that is deeply rooted.

4. European Management Style

European management is characterised as a "cross-cultural, societal management grounded in an interdisciplinary network" and encompasses three key attributes

- Firstly, a European management strategy must consider the diverse cultures present throughout Europe and their influence on business practices, aiming to identify both shared cultural traits and unique aspects within various organisational settings and management styles.
- Secondly, the foundational principles of management across Europe are deeply rooted in societal factors.
- Lastly, European managers must exhibit a high degree of adaptability, given the varying legal, social, political, and economic landscapes across the continent. This adaptability is complemented by the capacity to embrace an interdisciplinary perspective.

Concept of European Management Style



1. Managing Purpose: In the European framework, businesses are perceived within a global context, with companies aiming for Global leadership. This perspective

applies to both mid-sized European firms and large multinational corporations, as competition across borders has compelled them to adjust to global markets. European executives are considered well-prepared for global leadership roles, particularly the millennial generation, which possesses a stronger command of the English language and has had more opportunities for travel.

The concept of stakeholder capitalism has become increasingly significant, especially in the wake of Brexit and the United States' withdrawal from various international agreements.

Multiculturalism stands out as the most prominent outcome of the European model, influencing not only businesses but also various facets of society, including education, law, the arts, and politics.

2. **Managing People:** Europe has significantly transformed its leadership model as a result of the experiences gained from two world wars. In Germany and several other nations, participative leadership transcends mere management practice; it is integrated into the corporate legal framework, ensuring that no single individual can monopolise power or make unilateral decisions.

Engaging various stakeholders is regarded as essential and inherent for business leaders, who are required to collaborate with both internal and external parties, including governments, non-governmental organisations, and initiatives focused on corporate social responsibility.

European management has traditionally prioritised the promotion of internal talent and long-term career development through training. In certain European nations, companies are obligated to allocate specific

investments towards training budgets. Furthermore, Europe boasts a longstanding tradition of internships, wherein businesses and educational institutions work together to cultivate skills and provide exposure to the professional environment.

3. **Managing relationships:** European business has undergone substantial transformation due to the imperative of cross-border operations. The dominance of a single nation's elite in multinational enterprises is no longer feasible, and the culturally ingrained methods of relationship-building cannot remain as straightforward as they were in a nationally-based business environment. Principles such as inclusive management and social equality have become essential for companies functioning beyond national boundaries.

The management of contracts and administrative tasks across borders is a critical aspect of European business, especially in light of the free movement of labour among member states.

A commitment to diversity is indispensable for any company managing a multinational workforce, with cultural diversity being a primary focus in the European context.

4. **Managing change:** This segment of the model reveals its vulnerabilities, not solely due to European regulations and policies but also because other regions, especially Asia, are evolving at a more rapid pace than Europe. The inclination towards planned, gradual change faces challenges from disruptive business models and the necessity to adapt to accelerated growth.

Internal stakeholders have the potential to obstruct change, which highlights a drawback of the European participative management approach.

Additionally, the European emphasis on ensuring that technology serves societal interests tends to impede the swift implementation of technological advancements, as illustrated by various laws and regulations aimed at societal protection. Nevertheless, this societal focus has its merits, with some experts asserting that Europe holds a more advanced position than other regions in areas such as genetic engineering, data protection, and social safety measures.

5. Difference between Indian, American and Japanese Management Styles

Planning

INDIAN	AMERICAN	JAPANESE
Long term	Short term	Long term
Authorised person makes decision	Individual decision-making	Collective decision-making
Slow decision-making	Fast decision-making	Slow decision-making
Authorised person involvement	Few involvement	Involvement of many people
Slow implementation of decision	Slow implementation of decision	Fast implementation of decision

Organising

INDIAN	AMERICAN	JAPANESE
Collective responsibility and accountability	Individual responsibility and accountability	Collective responsibility and accountability

Formal Organisational structure	Bureaucratic and formal Organisational structure	Informal Organisational structure
Well known common organisation culture	Lack of common organisation culture	Well known common organisation culture
Low competitive spirit towards others	Identification with profession rather than organisation	Competitive spirit towards others

Staffing

INDIAN	AMERICAN	JAPANESE
Mixed recruitment process	People hired out of schools and other companies	Young people hired out of school
Life time employment is common in large companies	Frequent switching of company	Life time employment is common in large companies
Slow advancement and highly desired	Rapid advancement is highly desired and demanded	Rapid advancement
Loyalty to the company	Loyalty to the Profession	Loyalty to the company
Lack of training and development undertaken	Training and development undertaken with hesitation	Training and development undertaken with confidence

Leading

INDIAN	AMERICAN	JAPANESE
Leader acting as social facilitator and group member	Leader acting as decision-maker and head of the group	Leader acting as social facilitator and group member

Common values facilitating cooperation	Autocratic style of leadership	Common values facilitating co-operation
Emphasis on self	Emphasis on clarity	Emphasis on harmony
Communication top to bottom	Communication top to bottom	Communication bottom to top

Controlling

INDIAN	AMERICAN	JAPANESE
Control by superiors	Control by superiors	Control by peers
Focus on group performance	Focus on individual performance	Focus on group performance
Fix blame	Fix blame	Saving face
Limited use of quality control circles	Limited use of quality control circles	Extensive use of quality control circles

Questions

1. What are the Different Management Styles?
2. Explain the features of Indian Management Style.
3. Explain the key principles of Indian Management style.
4. What the features of American Management Style?
5. Explain the nature of Japanese Management Style.
6. Explain the limitations of Japanese Management Style
7. Explain the concepts of European Management Style.
8. Difference between Indian, American and Japanese Management Style.

